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CASH TRANSFERS: LADDERS OR HANDOUTS?

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Cash Transfers: Ladders or Handouts?

An Analysis of Community Targeted Social Cash Transfers,

Machinga District, Malawi

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Abstract

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**An Analysis of Community Targeted Social Cash Transfers, T/A Mlomba,
Machinga District, Malawi**

Key words: Poverty, vulnerability, risk, policy, social protection, cash transfers and sustainable livelihoods, capabilities, functionings and freedoms, gender equality, women empowerment.

This thesis examines whether, how and to what extent social cash transfers help the poor in reducing poverty; not only in income terms but also in relation to how they build on their capabilities and address gender inequality, risk and vulnerability. The thesis explores these questions through an analysis of a community targeted social cash transfer scheme from Traditional Authority Mlomba, Machinga district in Malawi, using the capability approach as the conceptual framework of analysis. The study is located in the critical realist domain as its underlying research philosophy. The study is qualitative in nature, using semi-structured interviews, observations and life histories. The scheme targets the poorest 10% of the population who are also labour constrained and deemed to be economically unproductive. Thus, the study offers some insights into an area that is not well researched as it is a relatively new concept to target the poor who are also labour constrained and not economically productive. In this thesis, I show that despite the limited resource base compared to the large number of the poor, social cash transfers as low as US\$14 per household per month can make a valuable contribution to the reduction of poverty through building capabilities of the poor, empowering women and addressing some of the gendered inequalities, risk and vulnerability. Therefore, social cash transfers are not just handouts but act as ladders that can uplift the absolute poor out of poverty.

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Abbreviations

AIDS	Acquired Immunodeficiency Syndrome
ALMPS	Active Labour Market Policies
ADC	Area Development Committee
AEC	Area Executive Committee
CBT	Community Based Targeting
CSPC	Community Social Protection Committee
CCT	Conditional Cash Transfer
CRC	Conventions on Rights of Children
DFID	Department for International Development
DSWO	District Social Welfare Officer
DA	District Assembly
DDP	District Development Plan
DEC	District Executive Committee
DECT	Dowa Emergency Cash Transfer
GTZ	German Technical Corporation
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
ILO	International Labour Organisation
ILO	International Labour Organisation
IMF	International Monetary Fund
MG	Malawi Government
MGDS	Malawi Growth and Development Strategy
MPRS	Malawi Poverty Reduction Strategy
MDGs	Millennium Development Goals
OVOP	One Village One Product
PALI	Participatory Assessment of Livelihoods and Impacts
PSP	Policies, Structures and Processes
PAP	Poverty Alleviation Program
SCTS	Social Cash Transfer Committee
SPSC	Social Protection Sub Committee
SPSS	Statistical Package for the Social Sciences
SAPs	Structural Adjustment Policies
SLA	Sustainable Livelihood Approach
TA	Traditional Authority
UCT	Unconditional Cash Transfer
UNRISD	United Nations Research Institute for Social Development
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Program
UDHR	Universal Declaration of Human Rights
VDC	Village Development Committee
VG	Village Group
WGSPTC	Working Group of the Social Protection Technical Committee
WB	World Bank

Chapter 1: Introduction

1.1 Introduction

Cash transfers are becoming an important social protection measure for reducing poverty in many developing countries including Malawi. Many developing countries consider cash transfers as an important social investment that can contribute to the reduction of poverty. In addition, policy-makers also consider cash transfers as major contributors to the achievement of some of the Millennium Development Goals (MDGs) (World Bank 2003; DFID 2005). Specifically, cash transfers relate to MGD3 which focuses on empowerment of women and reducing gender inequality. The 2010 conference on chronic poverty organised by the Chronic Poverty Centre in Manchester (UK)¹ underscored the importance of protecting the poor and vulnerable through cash transfers in particular as an effective way of dealing with short-term or present poverty (Sherpherd 2011).

However, there are still some questions about the contribution of cash transfers towards poverty reduction in view of lack of adequate financial resources compared to the large numbers of the poor. Some commentators have also questioned whether cash transfers do effectively address gendered social and economic vulnerabilities. This is particularly with reference to social cash transfers because they target the absolute poor who are also labour constrained. This thesis contributes to this debate by examining whether, how and to what extent do cash transfers help the poor to move out of poverty. Do cash transfers act like ladders to help the poor to move out

¹ The conference was held on 8th-10th September 2010 at University of Manchester organized by the Chronic Poverty Research Centre. Conference materials can be accessed at <http://www.chronicpoverty.org>

of poverty or are they just handouts such that transferring cash to the poor is a waste of resources as compared to investing in economic growth enhancing activities?

The thesis explores these questions through an analysis of social cash transfers as the focus for this study using the capability approach for understanding social welfare. The focus on social cash transfers is based on the fact that while some research work and evaluation work has been undertaken on cash transfers in general, not much research work has been done on social cash transfers. As already pointed out, this is because of transferring cash to a target group which is deemed economically unproductive is a new policy direction in many developing countries. Furthermore, most of the available studies emphasise on the narrow perspective of income and consumption aspects of poverty without considering a wide range of indirect welfare impacts on the poor. The problem, as observed by Ashley and Hussein (2000) is that the income perspective tends to leave out a wider livelihoods picture as it may not easy to quantify some livelihoods impacts under this perspective.

In addition, over the years, there has been some shift from the income/consumption based surveys to qualitative studies that aim at capturing non-income aspects of poverty (Hargreaves et al. 2007). Therefore this study also aims at contributing to the qualitative approach in researching on poverty. This qualitative approach is based on the multi-dimensional analysis of poverty which recognizes that poverty goes beyond lack of income and includes non-income aspects as well. The multi-dimensionality analysis of poverty considers assets the poor have (including income), exposure to risks, the vulnerability context, and the enabling factors or the environment surrounding the poor. The assets that the poor have are a major aspect

of their capabilities that enable them to function in order to achieve their aspirations of moving out of poverty.

This study draws on data from Machinga Social Cash Transfer Scheme in Malawi. Social cash transfers are a new concept as a social protection measure under the Social Support Policy in Malawi. Social cash transfers involve providing grants to the poor who are in absolute poverty and labour constrained on a regular basis (DFID 2005). In addition, this category of the poor is also considered as economically unproductive. As such, targeting this category of the poor is a departure from the other traditional forms of transfers that are targeted to economically productive groups. Some of the programmes that target economically productive groups include public works programs, food for work, nutrition and school feeding programs.

The idea of supporting the poor who are in absolute poverty started in 2006 when the Malawi government adopted social protection as a policy response for reducing poverty and vulnerability. The Social Support Policy aims at complementing the other policies in sectors such as agriculture, health and education. In addition to tackling poverty and vulnerability, the Social Support Policy also aims at coordinating the various actors involved in providing social protection and at the same time also provide a coherent monitoring framework for the various social protection activities in Malawi (Malawi Government 2006).

In this thesis, I argue that despite the limited resources versus the large number of the poor, social cash transfers can make a valuable contribution to the reduction of

poverty through building the capabilities of the poor. In addition, the study also shows that social cash transfers have the potential to address some of the gendered inequalities, risk and vulnerability. Protecting the poor and vulnerable groups helps them in building their capabilities through which they can effectively participate in the development process. This contribution is more effective when social protection is part of the development policy framework and appropriate interventions are targeted to the poor. Thus, implementing social protection within an appropriate development and policy framework ensures that social cash transfers are akin to ladders for helping the poor to make a substantive progress in moving out of poverty.

The study also highlights several important insights for research. Firstly, from the capability approach, social cash transfers are enabling in the sense that they do help the poor who are in absolute poverty and labour constrained in building their capabilities. With cash transfers, the absolute poor are also able to contribute to the economy through investing in productive assets. Secondly, this understanding also helps us to appreciate the aspirations of the poor in relation to overcoming poverty. Therefore, since these transfers are enabling, I consider them as social investments rather than as a waste of tax payer's money.

Thirdly, the study also shows that even small transfers of US\$14 per month per household can make a significant contribution to the lives of the poor as evidenced by the achievements the recipients made during the period they were benefiting from the scheme. In addition, despite the scheme transferring cash on unconditional basis, the poor do make rational judgements in terms of how they spend their income. This observation sums up the sentiments by Hanlon (2004) as to whether it is possible just

to give money to the poor. This study affirms that, yes indeed, it is possible to just give money to the poor and they know what to do with it.

1.2 Structure of the thesis

Chapter 2 reviews social protection in relation to the reduction of poverty, risk and vulnerability. In this chapter, I show that although social protection plays a very critical role in reducing poverty and vulnerability, its potential has not been fully realised in many developing countries due to limited resources versus the large number of the poor. This calls for an in-depth understanding how of how social protection can be made more effective within these limited resources. In order to do this, the chapter identified social cash transfers as an area for further exploration as not much research work has been undertaken in this area.

In the first section, I look at definitions of key concepts that define the framework and scope of the study. The concepts form the conceptual and the theoretical underpinnings of social protection. The key concepts that define this study are social protection, capability, poverty, risk, vulnerability, gender inequality and empowerment. In this section, I also discuss the multi-dimensional perspective of poverty and the limitations of income view of poverty. This discussion is followed by looking at five social protection perspectives and how these translate into three main interventions. These interventions are labour market based intervention, social insurance and social assistance. The review focuses on cash transfers which fall under social assistance. The review shows that many interventions to help the poor who are in the informal sector fall under social assistance.

The second section looks at the practical realities of translating the various social protection conceptual frameworks into policy and practice. This includes design and implementation challenges such as program choice and targeting. The review focuses on cash transfers since they are the most common form of social assistance. Thus, a detailed discussion of the theoretical arguments for and against cash transfers as the main focus of the study follows.

The third section highlights some of the challenges of providing social protection, and singles out social cash transfers as an area for further exploration. In this section, I present the capability approach as a framework of analysis. This is part of the ongoing reflection on our understanding of the future of social protection. The aim is to provide a different perspective of understanding how social protection can effectively help the poor escape from poverty.

Chapter 3 discusses the methodological approach or the ontological and epistemological assumptions that guided this study, study design, sampling techniques, data collection methods and instruments, data analysis and a consideration of some of the ethical issues in undertaking this study. In this chapter, I argue for taking a realist approach with a case study to address the research questions as the study views poverty from the multi-layered and multi-dimensional perspective. Thus, the research is qualitative in nature, adopting critical realism as its philosophical approach.

As the study is positioned in the realistic domain and qualified as intensive, research methods singled out as appropriate were semi-structured interviews, key informant

interviews and life histories. These methods provided rich qualitative data for addressing the research questions. Thematic analysis is used to make sense of the data. A limited statistical analysis has been performed on some of the demographic characteristics of the recipients of the cash transfers.

Chapter 4 forms the first step of analysis by looking at social protection in Malawi. This represents institutional and policy space for supporting the poor. Institutions and policies can constrain or enhance the capabilities of the poor. Therefore, it is important that we examine this policy environment because creating an enabling environment is considered as an effective poverty reduction effort.

The aim of this chapter is to understand how social protection contributes to poverty reduction in Malawi. An understanding of how social protection addresses poverty is very important to all stakeholders that are involved in the provision of social protection because the Social Support Policy is the umbrella space under which all social protection interventions whether private or public are implemented in Malawi.

The first section looks at the national picture of poverty and vulnerability in Malawi which shows that poverty and vulnerability in Malawi is very severe and deep rooted in social and economic structures. This analysis enables us to appreciate the nature of the poverty that social protection policy aims to address. The second section moves on to examine the role that social protection plays in addressing poverty and vulnerability. The main variables of interest are the social policy package, and the general economic and political environment within which social protection is implemented.

The third section looks at the various social protection interventions that the Malawi government has been implementing over the years including the current social cash transfer scheme. The final section draws everything to conclusion.

Chapter 5 is about the Machinga Social Cash Transfer Scheme. In this chapter, I move from social support policy at national level to project experiences at district level. Thus, the main objective of this chapter is to examine the relevance of the scheme to other poverty reduction efforts at district level. This is important because we need to understand how the scheme integrates with other policy initiatives at district level. The main variables I consider are the schemes objectives, location, costs and administration, targeting of eligible households, partnership, strengths, weaknesses, opportunities and threats (SWOT) of the scheme.

Chapter 6 moves from the Machinga Social Cash Transfer Scheme (the intervention) to the recipients. This chapter looks at demographic household characteristics, what assets the recipients have and the livelihood strategies they engage in. In this way, the chapter also attempts to understand the causes, nature and depth of poverty. This enhances our understanding of how social cash transfers can contribute to the reduction of poverty. This analysis is also used in chapter 7 to check whether community based targeting (CBT) is reaching the right category of the poor. In other words, the chapter examines the existing capabilities of the poor in terms of the assets the poor have and the livelihood strategies they engage in.

The chapter, especially through life- history interviews also attempts to trace the mechanisms through which chronic and inter-generation poverty is transferred.

Knowledge of how poverty is transferred from one generation to another is important in dealing with poverty. The chapter also considers gender inequality and some of the gender based risks for the target group from life history data.

The chapter analyses the capabilities of the target group based on capital assets (both consumption and productive), livelihood strategies, supporting policies/ institutions and the vulnerability context (risks). This information is important because it provides policy makers with the basic information that can be used in the design of appropriate interventions.

The main observation in this chapter is that the recipients are very vulnerable to various social economic risks as they are characterised by a small asset base and narrow band of livelihood strategies. Policy and institutional supporting arrangements are weak and therefore need strengthening.

Chapter 7 examines how community-based targeting is used in the Machinga social cash transfer scheme. Targeting of resources is one of the challenges encountered in providing social protection in many developing countries. In the case of Machinga Social Cash Transfer Scheme, it is observed that community based targeting is used to target the poor within reasonable limits.

The chapter is structured as follows. The first section provides some background on the targeting processes as practised in the Machinga Social Cash Transfer Scheme in terms of who participates, roles of the various community entities, administration costs, and transparency and accountability issues.

The second section compares the household characteristics of the recipients against the pre-scribed targeting criteria as stipulated in the implementation manual. The idea is to examine whether the scheme is reaching out to the intended households.

Chapter 8 considers how social cash transfers help in building capabilities of the poor as defined by their asset portfolio and the livelihoods strategies they have at their disposal. The chapter also considers how social cash transfers address gender inequality and gender-based risk factors.

This chapter is the main focus of the study. The chapter addresses two questions. The first question looks at how the scheme is helping the poor to reduce poverty in terms of building their capabilities. This question is important because it is critical to the design of effective social protection interventions in relation to how these interventions can contribute to the resilience of the poor.

In order to address the above question, I consider what contribution these transfers make toward the asset base portfolio and the impact on the available livelihood strategies. This is important because of the fact that the ability to deal with and the resilience to poverty is a function of the assets the poor have and the range of livelihood strategies at their disposal.

The second question addresses the extent to which social cash transfers push up people on the poverty ladder. This area is very important because it measures the success of the scheme in uplifting the poor from poverty. One of the objectives of the scheme is that at some point, the recipients should graduate from the scheme.

Graduation in this sense means that they have moved out of the 10% poorest band. At the time of the research, there was only one recipient who was due for graduation. The main argument in this chapter is that social cash transfers are not just handouts but they are akin to ladders that can help the poor to gradually move out of poverty.

Chapter 9 focuses back to the broad research questions and brings everything together to addressing the question as to whether social cash transfers act as ladders or they are just handouts. The chapter highlights two ways through which social cash transfers contribute to the reduction of poverty and vulnerability. Firstly, the chapter points out that social cash transfers contribute to poverty reduction through building the capabilities of the poor. These capabilities are the assets they own and the livelihood strategies they engage in.

Secondly, the chapter also looks at poverty reduction through reducing gender inequality and empowering women. This means that women become empowered so as to be able to actively participate in the development process. The chapter also singles out some issues for policy and recommends areas for further research.

Chapter 2: Social protection

2.1 Introduction

Social protection is becoming an important component of poverty reduction policies in many developing countries. The United Nations (1994) points out that the importance of social protection comes from the realisation that addressing risks that arise from social and economic inequalities, social injustice and exclusion is very critical in reducing poverty. This realization has led policy makers, international development agents, academicians and researchers to consider protecting the poor and vulnerable to risk as an opportunity that can accelerate the achievement of some of the Millennium Development Goals (World Bank 2003; UNICEF 2010; Ginneken 2011).

In addition, the various global financial crises over the years have also demonstrated that failure to have appropriate social protection measures in place can have very negative consequences on the poor (Holzmann and Jorgensen 2000). For example, the global financial crisis that began in 2007 affected many economies and further contributed to the Eurozone debt crisis in 2010 (Crotty 2009). As such, Holzmann and Jorgensen (2000) argue that social protection is an important social investment that can have an immediate impact on poverty and contribute to economic growth in the long-term. Some of the positive impacts on well-being include improved access to universal primary education, achieving greater gender equality, empowerment of women and access to primary health-care system, which are the key pathways to poverty reduction (DFID 1999; OECD 2011; McCracken et al. 2015).

Out of the many social protection measures, cash transfers in particular are becoming versatile measures for addressing poverty and vulnerability. The concept of cash transfers emerged from social safety nets in the early 1990s following the negative impact of Structural Adjustment Programs (World Bank 2001). In the 1990s, cash transfers started as a form of welfare for cushioning income and consumption deficits of the poor. However, due to increased poverty and vulnerability in many development countries, social safety nets have re-surfaced as one of the important social protection measures (Devereux and Sabates-Wheeler 2007)

This chapter reviews the role of social protection in reducing poverty and vulnerability with a focus on cash transfers. The main point of observation in this chapter is that I shows is that although social protection plays a very critical role in reducing poverty and vulnerability, its potential has not been fully realised in many developing countries due to limited resources versus the large number of the poor. This calls for an in-depth understanding of how social protection can be made more effective within these limited resources. In order to do this, the chapter identifies social cash transfers as an area for further exploration as not much research work has been undertaken in this area.

The chapter is organised in four sections. The first section looks at the definitions of key concepts of poverty, risk and, gender inequality and vulnerability. I also look at the objectives and the various conceptual meanings of social protection. In review the role of social protection and its development context. The second section looks at the institutions and policy processes that support the implementation of social protection. In many developing countries, institutions specific to social protection are

just developing and the policy processes are quite complex due to the unstable political and economic environments prevalent in these countries.

The third section looks at the practical realities of translating social protection ideals into policy and practice. In this section, I consider program related issues such as program choice and design parameters and finally a detailed discussion of cash transfers as the focus of the study follows, looking at the theoretical arguments for and against. The fourth section highlights some of the challenges of providing social protection and singles out social cash transfers as an area for further exploration. This is part of the on-going reflection on our understanding of the future of social protection. The aim is to provide a different perspective for understanding how social protection can effectively help in the reduction of poverty.

2.2 Definitions of key concepts

The definition of the key concepts in this section maps out the scope and boundaries of the study. This enables us to establish the conceptual framework for understanding the role of social protection in reducing poverty. The key concepts are social protection, poverty, gender, risk, vulnerability, empowerment, and capabilities.

2.2.1 Social protection

Social protection generally refers to policies or programs that aim at protecting the poor and vulnerable groups from social and economic risks as they participate in the development process (Devereaux and Sabates-Wheeler 2004). According to DFID (2005:11), social protection is “a sub-set of public actions which are carried out by the state or privately that address risk, vulnerability and chronic poverty”.

Vulnerable groups at risk may include children, women, the elderly, disabled, displaced, unemployed and the sick. Therefore, social protection interventions can target these vulnerable groups (Scott 2012).

The above definitions show that the main thinking or idea behind protecting the poor and vulnerable groups is to enhance poverty reduction by addressing risk and vulnerability directly rather than waiting for economic growth benefits to trickle down to the poor. The underlying factor is that benefits from economic growth may take longer than anticipated to trickle down to the poor and in some cases not even reach the poor. For example, Coninck and Drani (2009) observed that despite the continued economic growth in Uganda, millions of people continued to live in long-term poverty and were more likely to miss the opportunities arising from these growth prospects. Thus, social protection is considered here as a very important intervention that can address some of these challenges of extreme poverty. This is the traditional view of social protection inherent in safety nets aimed at protecting the poor from long-term income and consumption deficits.

The International Labour Organisation's (ILO) concept of social protection further considers work or employment related shocks. Under ILO, social protection includes workers in the formal sector who may be subject to work related vulnerability. The ILO defines social protection as:

- a set of public measures that a society provides for its members to protect them against economic and social distress that would be caused by the absence or a substantial reduction of income from work as a result of various contingencies (sickness, maternity, employment injury, unemployment invalidity, old age, and death of breadwinner)
- the provision of healthcare and
- The provision of benefits to families with children (Bonilla and Gruat 2003: 13-14)

The above definition shows that social protection does not only focus on the poor and vulnerable in the informal sector but also covers people at risk in the formal sector. The United Nations Research Institute for Social Development (UNRISD 2010) supports this approach by focusing on preventing, managing, and overcoming situations that adversely affect people's well-being. On the other hand, the World Bank (2001) advocates for social protection policies and programs that are designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to manage economic and social risks, such as unemployment, exclusion, sickness, disability and old age.

What this means is that social protection measures entail more than just an economic protection as these measures go beyond income and address issues of people failing to acquire basic goods and services, low levels of education and health, insecurity and powerlessness. Consequently, social protection is about helping people to mitigate these risks and reduce vulnerability. Thus, social protection reinforces the notion that reducing poverty requires more than just increasing incomes but also about providing security and expanding the capabilities of the poor to deal with poverty.

2.2.2 Poverty, gender inequality, risk, and vulnerability

Over the years, the understanding that reducing poverty is more than just increasing incomes of the poor has led to a shift from income-based analyses to the multi-dimensional analysis of poverty. This shift of emphasis from income-based analyses to multi-dimensional analyses of poverty became the pivotal point that underpinned

the need to protect the poor and vulnerable from risk in the 90s (Norton and Foster 2001). It defines poverty as a pronounced deprivation in well-being, and comprises many dimensions. These dimensions include low incomes, the inability to acquire basic goods or services necessary for survival, low levels of health and education, poor access to clean water and sanitation, inadequate physical security, lack of voice, and insufficient capacity and opportunity to better one's life (World Bank 2001:30). Following the shortcomings of the income and consumption definitions of poverty, Moser (1998) argues that the multi-dimensional approach provides a better understanding of poverty. As such, the focus on non-income aspects of poverty has been supported by debates on poverty reduction approaches bordering around the concepts of human capacitation, structure and agency, sustainable livelihoods, vulnerability, risk, participation, rights-based and empowerment approaches (Sen 1999a; Toner 2001; Helmore and Sigh 2001). Many of the poverty reduction strategies from the 1980s were thus modelled around the multi-dimensional analysis of poverty built around activities that people engage in, assets that people possess or have access to and entitlements such as social benefits from the state or support from family relations (Helmore and Sigh, 2001).

Participatory approaches to poverty assessment emphasises on vulnerability and the significance of the assets that the poor have (Norton and Stephens 1995; Norton et al. 2001; Robb 1999). Significant developments in this approach include asset/vulnerability frameworks (Moser 1996; Scoones 1998 and DFID 1999). These frameworks became very central to poverty reduction initiatives because they stress the importance of analysing vulnerability from the perspectives of endowments of the assets that poor households, individuals or communities have.

According to DFID (1999), these assets are not simply material, but also includes: physical, natural, financial, social and human capital. These assets are also significant not simply as aids to production but also as a stock of wealth, helping individuals and households against hard times. These stocks can enable people to make claims on entitlements in order to deal with risk. This means moving from the narrow perspective of income and consumption aspects to consider a wide range of other indirect impacts on welfare (Lloyd-Sherlock 2006). Ashley and Hussein (2000) observe that the income approach tends to leave out the wider livelihoods picture, as it may not be easy to quantify some livelihoods impacts. Following these debates, there has been a remarkable shift from the income/consumption based surveys to qualitative studies that aim at capturing non-income aspects of poverty (Hargreaves et al. 2007).

Risk, as defined by Holzmann and Jorgensen (2000) is the negative effect of a hazard or an event and, in most cases; these are events outside people's control. However, even though risk may be outside the control of people, the way people deal with risk may increase poverty, as in most cases people protect themselves against the effects of a shock or hazard using their savings, diversifying their economic and livelihoods activities or through social networks (Lund 2004; Jaspers et al. 2007). This means that being exposed to risk may erode one's assets and making them to be more vulnerable.

Lund points out that although the same risk can affect many people, the response to risk depends on what assets they have, whether they are poor, a woman, a child or elderly (Lund 2004). De Janvry (2006) makes a similar observation that poverty is

not the only condition of vulnerability as the ability to deal with risk may also depend on some social-economic and demographic factors such as being a child, due to old age, being unemployed, being illiterate, due to chronic sickness, due to disability and also due to orphanage. Therefore, the implication is that designing social protection policies or interventions requires disaggregating the various segments of the poor into categories depending on their vulnerability context and the exposure to the various risks. The Social Support Policy in Malawi is a good example of this approach because the policy aims at targeting the various categories of the poor (see chapter 4).

On the other hand, vulnerability refers to the ability (or inability) of people to deal with risk or according to Devereux et al. (2006:14), vulnerability is the result of exposure to “hazards, a shock or process in relation to the resilience or the ability to manage risk”. The sustainable livelihoods approach views vulnerability of the poor in relation to some hazard or risk depending on the value of assets that they have, and the diversity of their livelihood strategies (DFID 1999). For example, lack of assets and having a narrow band of livelihood strategies may increase one’s vulnerability to risk (ibid).

The main point to note here is that, dealing with poverty requires paying attention to the vulnerability context of the poor. According to Adato and Meinzen-Dick (2000), this implies that reducing poverty should take into account what poor people define as factors that influence their vulnerability, poverty, and well-being. Sen (1988) points out that poverty reduction requires an understanding of perceptions and

priorities of the poor themselves. Chambers (1997) echoes similar observations that poverty reduction should also take into account of the reality of the poor

According Adato and Meinzen-Dick (2000), the concept of sustainable livelihoods is a good example of the expanded definition of poverty that looks beyond the conventional poverty measures based on income, consumption or nutrition in addition to other aspects of poverty and well-being that include emerging concepts of risks and vulnerability. The sustainable livelihoods approach recognizes people themselves, whether poor or not, as actors with assets and capabilities who act in pursuit of their own livelihood goals (Hall and Midgley 2004). As a result, the theoretical underpinning of this approach is that we can achieve sustainable poverty reduction if developments efforts are supportive of sustainable livelihoods, in other words, if these developments efforts are able to build on the existing capabilities of the poor.

According to the SL approach, a livelihood is defined as consisting of the capabilities (abilities), assets and activities required for a means of living (Carney 1998; DFID 1999; Helmore and Sigh 2001). According to DFID (1999) assets are considered as a major element and are taken as indicators of vulnerability, although the World Bank acknowledges that measuring vulnerability is not a straight forward process (World Bank 2001). From this perspective, a livelihood is considered to be sustainable if it can cope and recover from the effects of shocks and be able to maintain its asset base (DFID 1999; Ashley and Hussein 2000).

From the SLA, people can possess or access an array of different types of assets that are categorised as natural, physical, financial, social and human capital. Others include political capital and is the ability of a community to influence the distribution and use of resources (DFID 1999) or the capacity to change the structures of power, the ability to inspire policy, and the collective organisation to hold political representatives to account (Toner 2001). Bauman (2001) as quoted in Toner and Howlett (2001) points out that political capital can be at an equal status with other capital.

Human capital refers to the characteristics of individuals that contribute towards their ability to earn a living, strengthen community, and contribute to community organizations, to their families and to self-improvement (Bender 2013). Human capital includes the emotional, spiritual, aesthetic, and musical intelligences and skills present in people; the interpersonal skills, values and leadership capacity of individuals; the skills, education, experience, and knowledge of the community; and the self-esteem and confidence and capacity to contribute to the wider community (Baden 1999). On the other hand, financial capital refers to the incomes, savings, credit and loans, which facilitate other asset-adding value investments (Helmore and Sigh 2001). For example, money used on consumption is not capital but becomes capital when oriented to create other capitals (Carney 1998). Cash transfers are part of this portfolio.

Physical capital refers to the permanent physical structures and facilities supporting activities in a community (DFID 1999). It includes transportation networks, communication systems, utilities, protective services, education and health facilities,

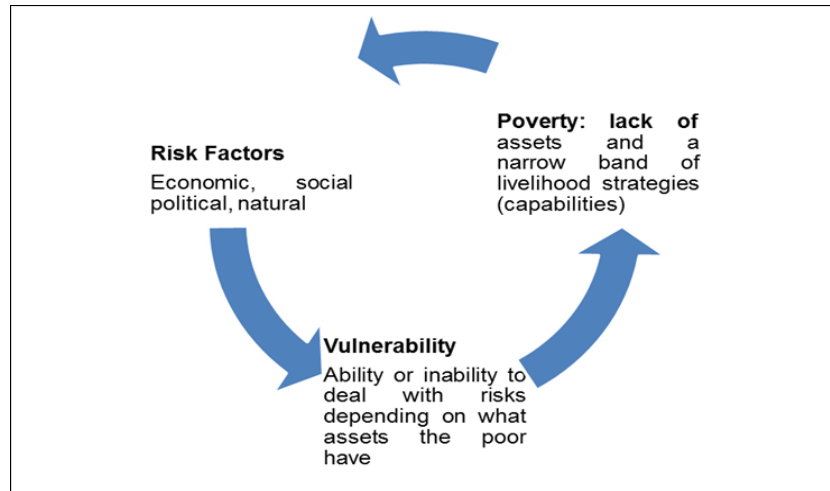
and public and commercial buildings (Scoones 1998). Built capital also includes any fixed assets that facilitate the livelihood or well-being of a community. Finally, social capital refers to the interactions among groups and individuals such as networks and the norms and trust that facilitate cooperation for mutual support (ibid).

However, just having access to the various capital portfolios is not adequate as vulnerability reduction is a complex process much as poverty reduction is. Taking poverty reduction for example, is in some way a means for reducing vulnerability. Increasing incomes of the poor which essence is reducing income poverty, may make the poor less vulnerable to some risks because the poor can use the additional income to access important services like health care and education that would, otherwise have forced the poor to use the existing productive capital or assets in responding to shocks or stress (Farrington and Slater 2006). Reducing vulnerability can also be achieved by preventing the hazard or negative effects from taking place, insuring against the negative effects of the hazard before the hazard takes place through social insurance and by helping the poor to cope after the hazard has taken place through social assistance (Holzmann and Jørgensen 2000).

Moser (1998) points out that it is very important that the analysis of vulnerability should involve identifying the threats as well as the resilience or responsiveness in exploiting opportunities and in resisting or recovering from the negative effects of a changing environment. The resistance in this case are the assets and entitlements that individuals, households or communities can mobilize and manage in the face of hardship (Devereux et al. 2007). We can see from this inter-relationship between

poverty (as measured by assets), risk and vulnerability, reducing poverty entails more than just increasing of the poor. Figure 1 is a summary of the relationship between poverty, risk and vulnerability.

Figure 1: Relationship between poverty, risk and vulnerability



Source: Author

The Figure shows that lack of assets and a narrow band of livelihood strategies measures the ability or capability to deal with risks that can render them vulnerable to further deep into poverty. Thus, social protection offers security to deal or manage risk and therefore helping the poor not to sink back into poverty.

2.3 The role of social protection in reducing poverty

Social protection plays a very critical role in poverty reduction as evidenced by its development context. The development context of social protection is rooted in the very problem of poverty resulting from the failure of the trickle-down effect of economic growth as suggested by development theories of the 1950s. Social protection emerged as a support mechanism to mainstream development policy as the problem of poverty and vulnerability became more pronounced in the early 80s following the implementation of Structural Adjustment Programs (SAPs) by the IMF

and the World Bank as some of these policies negatively affected the poor. SAPs were supposedly meant to deal with macro-economic imbalances and liberalization of markets that were seen as a bottleneck to development in many developing countries (Fox and Liebenthal 2006).

However, the outcomes of the implementation of these policies contributed to high levels of poverty and vulnerability (Morvaridi 2008). As a result of the negative impact of these policies on the poor, the United Nations Children's Fund (UNICEF) called for the integration of some humanitarian aspects into these policies. UNICEF also argued for a shift from getting prices right to pro-poor broad-based labour intensive policies and investment in basic health and education as it was observed that the removal of subsidies in agriculture, health and education, privatisation, devaluation and reduction in public sector spending had tremendous social costs on the poor (Fox and Liebenthal 2006). Following the social costs associated with the SAPs, the IMF came up with a second set of policies, generally known as adjustment with the human face in order to cushion these negative impacts (Handa and King 2003).

In addition, the adjustment with the human face was temporary in nature, as these policies did not address the core causes of poverty. For example, equity in income and wealth distribution were not addressed in the implementation of SAPs as the emphasis was on macro-economic stability (Lawrence and Thirtle 2001). Thus, despite all these efforts, there were still some poor and vulnerable groups such as children and the elderly who could not benefit from these policies. As a result, the World Bank made some recommendations for public transfers such as social safety

nets to cushion the income and consumption levels of the poor (World Bank 2001). In the early stages, social protection provision in developing countries was mainly in the form of social assistance through safety net programs akin to sweeteners according to Hickey (2006). The World Bank played a key role in providing the much needed resources in the form of social funds which was seen as one way of helping the poor and vulnerable to move out of poverty (World Bank 2001).

However, many development commentators were critical of social safety nets as narrow-based because they focused on protecting the poor and vulnerable through cushioning income and consumption levels only without dealing with the wider aspects of poverty. These are some of the limitations of income and consumption perspectives of poverty. In spite of this limitation, the implementation of social safety nets opened a new chapter for protecting the poor and vulnerable up to the current scope of social protection.

2.4 Conceptual and theoretical underpinnings of social protection

There are several conceptual and theoretical underpinnings of social protection that attempt to explain its role in reducing poverty. According to UNRISD (2010), at basic level, social protection is about welfare; synonymous to welfare regimes prevalent in many European welfare states and other parts of the developed world aimed at maintaining a certain living standard, and address transient poverty. To date, social protection has expanded in scope to deal with a broader range of issues such as structural causes of poverty to the extent that the design of many social protection programs aim at lifting the poor out of poverty and not merely providing passive protection against contingencies (ibid).

In many developing countries, social protection is still developing amidst many constraints. On a positive note, over the past two decades, more understanding about poverty and vulnerability and a new thinking have emerged about long-term poverty reduction impact linked to livelihood security and empowerment. As such, many commentators to date favour the idea that social protection should not only focus on economic risk but should also include social risk in order to address issues of equity, social rights, inequality, exclusion and structural causes of vulnerability.

Hanlon et al. (2010) observe that social exclusion and increasing poverty gaps can be a source of conflict. They argue that cash transfers can stimulate demand to spur development, increase equity, and then meet the basic human rights that can address issues of social exclusion. To this effect, the current debates on social protection in developing countries border around how to harness the potential of social protection to support economic growth, address some of the structural causes of chronic poverty, economic and political barriers vulnerable people face to move out of poverty (Scott, 2012; Norton et al. 2001). These debates translate into five main conceptual thinking's about social protection as shown in table 1.

Table 1: Social protection conceptual frameworks

Conceptual Thinking	Main focus, or objective	Measures/ implications
Social protection as welfare (World Bank 2001; Coady et al. 2002)	Transfer of welfare to cushion income and consumption deficits (assets)-social assistance	Minimal safety nets programs : transfers (cash, food, non-food)
Social protection as a Human Right (United Nations 1948)	Every citizen has the right social or economic protection. Argues for universalism and that targeting is discriminatory	Universal price and commodity subsidies, agricultural subsidies and social transfers
Social Protection as an Economic and Human Development tool (United Nations Development Programme 2010)	Enhances economic and human development	Interventions in health and education (sector targeting), investment in children and women
Social Protection as a Political and transformative tool (Devereux and Sabates-Wheeler 2004; 2007)	Addresses issues of equity, empowerment, economic, social and cultural rights	Cash transfers, school feeding programs, interventions aiming at breaking gender/cultural barriers for girls, conditionality, legislation and minimum standards
Social Risk Management (World Bank 2001; Holzmann and Jorgensen 2000)	Help people to manage risk (protect, prevent and promote)	Mitigation (employment guarantee schemes), Social insurance, Social assistance, minimum set of labour standards and labour market regulation)

Source: Author

2.4.1 Social protection as welfare

Social protection has, traditionally been viewed as a transfer of welfare. In the transfer of welfare approach, social protection interventions act as a cushion against production and consumption shocks (World Bank 2001). Thus, in relation to poverty and vulnerability reduction, the welfare approach does not focus on the wider aspects of poverty and vulnerability (discussed in later sections). Safety nets in the form of cash and food transfers are the main forms of the welfare perspective (Coady et al. 2002).

The welfare perspective is built around the understanding that addressing income and consumption deficits is important because deficits have negative consequences on the poor as the poor may end up disposing their assets as a way of balancing up income (Millazo and Grosh 2007; Shepherd 2011). The aim of welfare is to improve the quality of life for people who fail to meet the minimum requirements to live a basic life. The focus here is the welfare of people or well-being and quality of life of individuals and society.

The concept of welfare is also rooted in the principles of equality of opportunity, equitable distribution of wealth and public responsibility for those who are unable to attain minimal provisions for a good life (Schulz-Forberg 2012). In welfare regimes, the state plays a key role in the protection and promotion of the economic and social well-being of its citizens through the distribution of welfare (Myles and Quadagno 2002).

2.4.2 Social protection as a human right

In addition to the welfare approach, the concept of social protection also entails human rights to social security for every citizen, or as an objective, it is to ensure that every citizen has access to social security in one way or the other. This is the basic argument used by activists that social protection is a human right and therefore putting conditions in interventions is a violation of these rights. This approach is enshrined in the Universal Declaration of Human Rights, 1948 article 22, 23, and 25.

These statutes show that the human rights approach puts a legal implication on social protection. For example, one of the legal implications of the human rights approach as observed in the above statutes is that the state has the primary responsibility of

providing social protection to its citizens. In fact, many developing countries have assumed this role by being signatories to international declarations, charters, articles and international treaties. In some cases, this commitment is enshrined in national constitutions. For instance, in Malawi, social security is part of the constitution as detailed in chapter 3, section 12 (IV) which state that:

The inherent dignity and worth of each human being requires that the State and all persons shall recognize and protect fundamental human rights and afford the fullest protection to the rights and views of all individuals, groups and minorities whether they are or not they are entitled to vote.

In fact, the Malawi Government is a signatory to a number of human rights conventions and declarations. These include the Universal Declaration of Human Rights (UDHR), Jomtien World Declaration on Education for All, the Convention on Elimination of all forms of Discrimination Against Women (CEDAW), the Convention on the Rights of Children (CRC), the International Covenant on Economic Social and Cultural Rights (ICESCR) and the African Charter on Human and People's Rights (ACHPR). This commitment to the various conventions, articles, charters and declarations demonstrate the acceptance of the state of its role as the duty-bearer and that citizens are rights-holders of social security.

However, approaching social protection from the human right perspective poses some challenges when it comes to implementation. For example, in Malawi one of the problems with the current Social Support Policy arises from negative attitudes from some segment of the society. Chinsinga (2007) captured some of these negative sentiments regarding social protection as a human right as demonstrated in the sentiments listed in Box 1.

Box 1: Some sentiments about social protection in Malawi

- “Social protection is a right but need not be publicized as such because of resource constraints. People should see it as a privilege but government should act on it as a right for the people and its obligation”.
- “Social protection is a right but it should not be popularized as a human right issue because linking the two can make social protection an emotive issue. It can cause chaos as people will be making excessive demands against limited government capacity”.
- “I don’t doubt social protection as a right but an open declaration would create too much pressure for government leading to the collapse of the economy. In the meantime, social protection should target only 10% of the population” (Chinsinga 2007:20)

As can be seen from the above sentiments, social protection as a human right to every citizen raises some questions in its implementation. The dilemma is that while social security is indeed a human right, in reality and more especially in developing countries, the resource envelope is limited to support all the poor who have this right to social security. However, the level of social security varies from one category of the population to another, some requiring more than other categories. The variation in the levels of social security depends on where a person is on the poverty ladder and other factors that render them vulnerable.

One advantage as pointed out by Piron (2004) is that approaching social protection from the human rights perspective ensures that some entity, in this case the state, has a legal obligation, accountability and can assume some responsibility. This means that state agents and all others involved in providing social protection are accountable in ensuring that their actions are in line with human rights principles, not just like a gesture of good will by the state. Within the international community, the International Labour Organisation (ILO), the United Nations Development Program (UNDP) and UNICEF in particular have been very influential in advancing the

human rights view through labour market policies or reforms, standards, rights and child protection practices (Piron 2004; Shepherd 2011).

2.4.3 Social protection as an economic and human development tool

Another commonly held view about the provision of social protection is that of the developmental model, in which social protection is seen as a tool to promote economic growth (UNRISD 2010). South Korea and Taiwan are examples of countries that provide extensive support for public programs following the developmental model (Kwon 2015).

Thus, in contrast to the human rights view, an economic and human development perspective (HelpAge International 2006; DFID 2005) views social protection as an important instrument for economic and human development. Many developing countries are adopting social protection as part of the economic and human development agenda. Cash transfers, food-for-work, and public works programs belong to this category.

2.4.4 Social protection as a political and transformative tool

A departure from the traditional views of social protection is the political and transformative perspective. The political and transformative view is radically activist in nature as it argues that social protection needs to extend to arenas such as equity, economic empowerment, social and cultural rights, rather than confining the scope of social protection to targeted income and consumption transfers (Devereux and Sabates-Wheeler 2004; 2007). This approach is in agreement with the spirit of expanding the capabilities and freedoms of the poor. The capability approach posts that space is an important variable for enabling the poor to be and undertake

activities that address their aspirations. Thus, an important point about the political and transformative perspective is that it is important to go beyond income and include non-income aspects of poverty such as social exclusion and inequality in dealing with poverty.

However, while the political and transformative view is revolutionary, Hall and Midgley (2004) warn that there is some danger when we consider social protection as a solution to all problems of poverty and inequality. Hall and Midgley (2004) argue that although these programs are part of the wider social policy, there must be a distinction from the general development objectives because they focus on strengthening livelihoods and reduce vulnerability of a target group.

The political and transformative view is founded on the precept that vulnerability emerges from and is embedded in the socio-political context (Devereux and Sabates-Wheeler 2007) and requiring interventions that effectively tackle the structural causes of vulnerability, thus creating some space for the poor (Sherpherd 2011). Transformative social protection extends beyond safety nets and welfare handouts, towards supporting citizens to claim social protection from the state as a basic human right.

2.4.5 Social protection as Social Risk Management (SRM)

Social risk management is a conceptual framework that expands the traditional areas of social protection based on labour market interventions, social insurance and social assistance to include strategies that deal with risk through prevention, mitigation and coping strategies (Holzmann and Jorgensen 2000). The SRM framework includes interventions that focus on managing risks before they occur. According to

Holzmann and Jorgensen (2000), the framework considers three levels of risk management that are informal, market-based and public in addition to many actors involved in the provision of social protection. In terms of target group, the framework focuses on the most vulnerable people to help them protect their livelihoods while promoting risk taking.

The main argument about SRM is that uninsured risk increases poverty and vulnerability, therefore effective risk management will not only cushion income and consumption but is also an investment in poverty reduction (Holzman 2000). The SRM is also instrumentalist in its approach as it views social protection as a tool for managing risk, thus improving or protecting livelihoods by smoothing income and consumption or building assets of the poor (Devereux and Sabates-Wheeler 2007). This approach argues that risk matters and that social protection can be supportive of economic growth through protection (insurance) and promotion of productivity-enhancing interventions through risk taking (World Bank 2001).

According to Holzmann and Jorgensen (2000), social protection is a tool for helping the poor in managing both social and economic risk. In this approach, social protection can prevent the occurrence of the hazard or event, for mitigating the effects of the hazard through social insurance or as coping tool after the event has taken place through social assistance. This framework has both ex-ante and post-ante actions. As the name suggests, SRMF is only a general framework and does not deal with operational technicalities but it does provide a good framework for thinking through how we can implement social protection to meet a particular policy objective.

2.5 Social protection measures and instruments

The various conceptual frameworks discussed in the previous sections translate into three main measures or instruments for addressing risk and vulnerability. These are labour market interventions, social insurance, and social assistance programs. However, out of these three, social assistance is the dominant component in developing countries that is available to support the poor who are in the informal sector. I discuss these instruments in the following sections.

2.5.1 Labour market interventions

Labour market interventions do not cover the poor and vulnerable in the informal sector. These interventions aim at ensuring a minimum set of labour standards, legislation and regulations to meet a minimum standard of living (Bonilla and Gruat 2003). These are a set of policies and programs designed to promote employment, the efficient operation of labour markets and the protection of workers, they can be both active and passive policies, provide protection for the poor who are capable of gaining employment (ibid). Passive programs such as unemployment insurance, income support and labour market regulations alleviate the financial needs of the unemployed but their designs do not improve their employability.

On the other hand, active labour programs focus on directly increasing the access of unemployed workers. According to Kuddo (2009), these programs have the ability to increase employment opportunities and address social problems that often accompany high unemployment. Kuddo also points out that active policies are a way of reversing the negative effects of industrial restructuring in transition economies and help in integrating vulnerable people furthest from the labour markets in these economies. ALMPs often target the long-term unemployed, workers in poor

families, and particular groups with labour market disadvantages. Overall, Kuddo recommends that active labour market programs (ALMPs) require more resources and the emphasis should be put on improving the design and effectiveness of ALMPs, rather than on increasing spending levels only. However, Lund (2004) found that training programs, which account for a large proportion of programmes, have little effect on future outcomes, whereas job experience programmes have a beneficial effect.

As already discussed, active labour market policies aim at reducing the risk of unemployment of workers and increase their earning capacity and have two basic objectives:

- To increase the ability of the unemployed to find jobs, and increase productivity and earnings and
- To improve the inclusion and participation of productive employment (Kuddo 2009:45).

Labour market interventions are instrumentalist in nature and applicable to the formal sector as it deals with those who are in formal employment. Measures that focus on the labour market heavily borrow from social risk management framework (Cook and Kabeer 2009). Labour markets represent the institutions that channel the productive energy of human beings into society (ibid).

However, setting and enforcing minimum standards to protect citizens is difficult to achieve within an informal economy, as most of the poor are not engaged in formal work or employment (DFID 2005). In addition, setting and enforcing minimum standards is also quite complex as it depends on legal institutions/frameworks being in place and the commitment of a particular government to protect the poor through

some form of legislation (Bonilla and Gruat 2003). These programs have important social, as well as economic objectives to stimulate employment and productivity.

These programs include:

- Employment services that include counseling, placement assistance, job matching, labour exchanges to improve the functioning of the labour market.
- Job training that includes training/retraining for the unemployed, workers in mass layoffs and youth to increase the quantity of work supply.
- Direct employment generation for the promotion of small and medium enterprises (e.g. public works projects, subsidies) to increase labor demand (Kuddo 2009)

Labor market interventions work to integrate different strategies to prevent and compensate occupational and social risks in the informal economy (Lund 2004). However, the major challenge in implementing successful labour market interventions is how to incorporate the informal economy, which comprises a significant portion of the workforce in developing countries.

2.5.2 Social insurance

In addition to labour market interventions, social insurance mitigates risks associated with unemployment, ill-health, disability, work-related injury, and old age. Social insurance comprises individuals pooling resources by paying contributions to the state or private providers so that, if they suffer a shock or change in their circumstances, they are able to receive financial support (DFID 2005). Social insurance is forward looking in the sense that an individual aims at protecting themselves against future risks. Examples include unemployment insurance, contributory pensions and health insurance.

Many of the poor who are not in the formal sector do not insure against future risks because of the contributory aspect of social insurance. This means that individuals

with low income may not be able to afford insurance. As such, most informal workers do not benefit from social security schemes, occupational safety and health measures, working conditions regulations and have limited access to health services and work-related measures of social protection. Thus, social insurance is appropriate for the poor who can afford to contribute to social insurance. The implication is that it is difficult for the absolute poor to benefit from social insurance because they have limited and informal sources of income. Even for those in the formal sector, it only a small working proportion of the population that can afford social insurance in the form of public or private pensions, life and medical insurance (Piron 2004).

2.5.3 Social assistance

Social assistance refers to a state or private transfer of resources to people whose vulnerability warrant some form of entitlement (Howell 2001). They consist of programs and all forms of public action, government and private, that are designed to transfer resources, either cash or in-kind such as food transfers to eligible vulnerable and deprived persons. These groups could be vulnerable individuals or households with no other means of adequate support, including single parents, the homeless, the physically or mentally challenged, victims of natural disasters or civil conflict, the destitute poor, households and communities that meet a social floor and need to improve living standards.

Social assistance offers hope for the poor in the informal sector as it is non-contributory in nature. Examples include cash transfers and fee waivers for education and health, and school meals (Skofias 2005). According to Barrientos (2010), social assistance aims at addressing the current needs for those in poverty and forms the largest component of social protection in most developing countries. For example, in

South Africa, 25% of the population receives social assistance; in Mexico, it is 20% of the population while interventions in China, Brazil and India target millions of households. All these figures show that social protection programs for the poor in many developing countries mainly come under the umbrella of social assistance, as poor people cannot afford contributory schemes because besides being poor, they are largely in the informal sector (Coady et al. 2002; Piron 2004).

The Department for International Development points out that social assistance is an opportunity for providing an increased and more predictable aid flows (DFID 2006). In 2009, for example, the G-20 countries made a commitment to provide US\$50 billion to support social protection, boost trade and safeguard development in low-income countries while in 2008, the World Bank pledged US\$2 billion Global Food Crisis Response Program to support social protection interventions such as food or cash-for-work and school feeding programs (Devereux 2009). This means that developing countries have this window of opportunity for social protection support but we are yet to see how these commitments translate into action.

The call for more resources for protecting the poor rises from the argument that transferring cash to the poor requires an urgent attention as development aid is not making enough difference in the lives of the poor. It is thus predicted that the number of people living below US\$1 per day is predicted to rise to US\$366 million by 2015 if no urgent action is taken (HelpAge International 2006; DFID 2005). In addition, it is also observed that in many developing countries, the current growth rates are not enough to translate into meaningful poverty reduction impacts (Coady 2004). High income inequality between the poor and the rich means that high

economic growth rates are required, which is a huge challenge for most developing countries. The problem is that high income inequalities means that the poor cannot access basic services such as education and health. Therefore regular cash transfers aim at filling this gap.

2.5.3.1 Cash transfers

Cash transfers are the dominant component of social assistance that have provided a body of growing evidence on the impact of social protection on poverty, to the extent that it is now becoming a common scenario to see an introduction or the adoption of social protection policy as part of development and poverty reduction agenda. For example, countries like Ethiopia, South Africa, Botswana, Swaziland, Namibia, Zambia, Kenya, Mozambique and Malawi have some variants of social protection on a large scale (Hammer et al. 1998; Devereux and Sabates-Wheeler 2007).

Cash transfers are proving to be a versatile tool for addressing various poverty related challenges. It is not surprising that others like Hanlon (2004) have proposed the idea of just giving money to the poor with hindsight that the poor are able to prioritise their choices. Much of the evidence comes from a wave of success stories of conditional cash transfers which have been in place in Latin America and the Caribbean countries since the 1990s (see Briery and Rawlings 2006; Haddinnott 2009; UNICEF 2007a; HelpAge International 2006; Appendix 4). In fact, the use of cash transfers in these countries has demonstrated that there is an opportunity of accelerating poverty reduction and consequently contribute to the achievement of some of the Millennium Development Goals (DFID 2005; World Bank 2007). As observed by Gabel (2014), directly providing social protection in the form of income support to households in the wake of major natural disasters proves to be very

effective. Gable also observes that this income support complements other relief and reconstruction efforts and has a positive impact on short-term food security and long-term recovery.

The international community also considers that cash transfers are an important tool for reducing poverty. In 2006, for example, the United Nations Economic Commission for Africa promised a resource envelope of up to US\$2 billion a year, in recognition of the value of cash transfers to deal with extreme poverty in Sub-Saharan Africa and expected to rise to US\$6 billion a year by 2015. In addition to the support from the international community, Bonilla and Gruat (2003) suggest that a basic package of social protection is possible in some low-income countries.

Some studies have also shown that cash transfers in general can contribute to economic growth. A study by Davies and Davey found that cash transfers had wide spread benefits for the local economy in Malawi with multiplier estimates of 2.02 to 2.45 (Davies and Davey 2008). This happens because cash transfers have the potential of addressing some of the demand side constraints and thereby boost demand for goods and services (Farrington et al. 2005). Thus, cash transfers encourage capital accumulation and investment; they also help in the management of risk and eventually contribute to the economy through the multiplier effect as noted above.

These findings demonstrate that social protection has the potential to promote both general and pro-poor economic growth through these transfers. As observed by Barrientos (2010), countries with strong protection systems show low levels of

poverty and vulnerability. Thus cash transfers have the potential to reduce poverty directly by raising the incomes of the poor and smooth consumption (Devereux and Sabates-Wheeler 2004). Cash can help the poor to benefit from investments in other social services, (HelpAge International 2006). As the poor gain extra income, they are able to access health, education and other services. Therefore, regular cash transfers targeted to vulnerable groups can offer a cost-effective means of reducing poverty and helping the poor meet their basic needs.

Cash transfers can also help the poor in diversifying their livelihood strategies. Diversification of livelihood strategies is an important aspect of poverty reduction because it enables the poor to expand their sources of livelihoods. For example, Davies and Davey (2008) found that cash transfers in Malawi made recipients less dependent on piecework and they used their labour to work on their own small farms or remain unemployed.

The other advantage is that cash transfers can also help in dealing with inequality, social exclusion and can enhance social cohesion and empowerment, thereby enabling the poor to participate in growth enhancing activities (HelpAge International 2006). In this way, the poor can benefit by participating in the economy while being supported through transfers (Farrington et al. 2005). Gao (2014) argues that such safety net programs not only reduce inequality but also enable low-income families to invest in educating their children and manage risks. According to Garfinkel et al. (2010) quoted in Gao (2014), social safety net programs are also important for maintaining political stability, increasing human

security and social cohesion, and ultimately promoting productivity and growth at the society level.

Cash transfers have also positive impact on health outcomes as well. Luseno et al. (2013) found that the Malawi Social Cash Transfer Pilot Scheme improved the health outcomes of children between the ages of 6 and 17. In their study, they also found that gender, the status of the children whether orphans or not did not have influence of the health outcomes signifying that conditionality does not matter.

However, while there is a general agreement on normative values of what cash transfers can achieve as discussed above, there are still many challenges in terms of achieving the ideals of cash transfers. These challenges are regional and national differences, politics at both national and international level, focus of government policy, availability of resources, programmatic issues and institutional capacity limitations for expanding social protection. I discuss these issues in more detail

2.6 Limitation of cash transfers

Handa and Davis (2006), in discussing the experience of six conditional cash transfer programs in Latin America questioned the rationale for these transfers. In their study, they concluded that while these transfers have been generally successful in terms of achieving their core objectives, it was not clear whether the programs constituted the most cost-efficient or sustainable solution to the development bottleneck they seek to address. Their major argument is that conditional cash transfers with too much emphasis on human capital accumulation of children may lead to other aspects of household welfare and broader development aspects to suffer.

Furthermore, in cases where transferring cash has been used both in development and relief contexts to create social-economic assets such as roads, dams and irrigation schemes, there is a tension on how resources can be allocated between the infrastructure being created and what recipients receive (Chirwa et al. 2004). The consequence is that the infrastructure created may be of a poor quality or compromise the cash benefits to the poor.

A similar scenario is where transfers are considered to increase demand for goods and services by removing some of the demand side constraints (Farrington et al. 2005), but real benefits depend on the supply side response. In the early 1990s for example, a number of African countries implemented free primary education. The rationale was to remove some of the demand side constraints such as fees and uniform that constituted direct costs to households or out-of-pocket expenses. In Lesotho, Malawi and Uganda, the demand side response was overwhelming to the extent that education systems could not support this demand as more textbooks, teachers and classrooms were needed (Fox and Liebenthal 2006). The same argument applies to conditional cash transfers in the health sector that impact depends on how the demand and supply sides complement each other. Therefore, the issue of complementation depends on the supply side being able to respond to this demand; otherwise, this may lead to reduction in the quality of services.

A review of the free primary education which was introduced in Malawi in 1994 shows that while the program increased pupil enrolment, the quality of education was compromised as there were no adequate teachers and classrooms (Croft 2000). This shows that it is important to consider cash transfers in line with the general

development policies. As argued by HelpAge International (2006), social protection interventions need to be linked to national-level strategies and plans to be delivered effectively as the impact of cash transfers may also depend of the availability of other interventions or services. For instance, in spite of transferring cash that can provide the beneficiaries the choice and stimulate the local economy, there are situations in which cash transfers alone may not be adequate to deal with market forces. As a result, a combination of cash and food for stability reasons may still be appropriate (Kebede 2006; Gentiline 2007).

Some commentators have also argued that cash transfers may also be a source of social exclusion. Chirwa et al. (2004) found that the idea of targeting could be a source of stigma to beneficiaries as they are perceived as poor, powerless and lazy. Being on the scheme's register may also be source of animosity and jealousy because recipients receive free money, handouts, and support from the implementing agency. By the very fact that they are poor can be a source of social exclusion.

2.6.1 Program design challenges

Designing and implementing social protection programs is quite a challenge considering the nature of risk, vulnerability and poverty compared to the availability of resources. Therefore, in order to increase the impact of these programs on poverty reduction, the design of programs aims at targeting a particular group to achieve a certain objective. Thompson (2014) identified three important factors that can affect the effectiveness of a program: program design and implementation, targeting and delivery mechanism.

For example, community-targeting aims at linking transfers to those that need them most based on the community's local knowledge of who are the poorest. In a study by Chinsinga (2006) for a Winter Targeted Input Program in Malawi, he found that the community made some amendments to the criteria for identifying beneficiaries on the basis of local perceptions of need, equity and entitlement. This observation consolidates the point that the poor are not passive participants but are conscious of their priorities and therefore it is important to take into account their views when designing transfer programs. In their view, what mattered most important were the ideals of need, equity and entitlement. Chirwa et al. (2004) evaluated the Improving Livelihoods through Public Works Program (ILTPWP) in Malawi and found that the program included community-based targeting, group formation, savings mobilisation, and the promotion of economic activities and capacity building for district assemblies in planning, project management, monitoring and evaluation.

Chirwa et al. (2004) also found that the idea of incorporating these innovative features was to enhance its impacts on the livelihoods of the beneficiaries. The Dowa Emergency Cash Transfer (DECT) project used a number of innovative design features which included varying the amount of cash transfer level in relation to household size as well as the local food prices in order to protect beneficiaries from food price fluctuations (Devereux et al. 2007). Out of the various design aspects, the most common important features are conditionality and targeting that I discuss below.

2.6.1.1 Conditionality

The debate on conditionality is very inconclusive. The question as to whether interventions have to be conditional or not is a policy issue although some recent

studies have shown that conditional transfers are not in any way better than unconditional ones in reducing poverty and vulnerability (Haddinnolt 2009; Bradshaw and Viquez 2009; Manley et al. 2013). In fact recent evidence suggest that whether transfers are conditional or not does not really matter when it comes to poverty reduction because there is no much difference in terms of the impact between conditional and unconditional transfers (Devereaux 2009; Samson 2009). What is most important is to evaluate these choices in light of the problem to address.

Conditional transfers are normally targeted to a specific group, for example women or children, contingent upon some change in behaviour such as encouraging households to attend school, improve nutrition intake for children and expecting mothers attend ant-natal clinics (Coady et al. 2004; Skoufias 2005). No-conditionality is the exact opposite in the sense that there are no strings attached to the scheme.

While there are arguments that conditionality can help advance access to education and health as important aspects of human development, there is also some criticism that conditional transfers are restrictive in nature. Ninno and Dorosh (2003) point out that the exclusive focus on human development may lead to other aspects of poverty reduction to suffer, since the program that sets out the consumption patterns of the beneficiaries. This is because benefits depend on the use of a specific item or service. They also question whether buying behaviour through conditionality provides an effective way for reducing poverty. Schubert and Slater (2006) argue that conditionality forces beneficiaries to act in a way that the program designers (policy)

consider as appropriate and in addition to income/consumption smoothing, beneficiaries spend on the services preferred by the intervention. DFID (2005) argues that even in the absence of conditionality, households still make rational decisions regarding what is good for them. In the final analysis, conditionality can be justified if the benefits outweigh those of unconditional transfers.

2.6.1.2 Targeting

According to UNRISD (2010), there are two main schools of thought concerning the delivery of social protection: universal or targeted social protection. Universalism argues that each person, by merit of simply being a citizen should be entitled to benefits from social protection programs. Such a policy would avoid means testing and any conditionality. One of the benefits from universal social protection is social solidarity, since everyone contributes to a system that everyone also benefits from. In addition to social solidarity, economists have argued that universalism is an investment in human capital that aids the development of a nation as a whole (Manley et al. 2013). However, opponents argue that universalism is not cost-effective and unfairly distorts individual efforts. Such an argument points toward targeting as a better solution.

Universalism is founded on the principle of social protection as a human right which is also activist in nature and targeting which is instrumentalist strives to identify those who really deserve to be supported in order to have a maximum impact on poverty and vulnerability or on any chosen indicator (Chinsinga 2006). Universalism carries the notion of covering everyone and people having the choice to opt in or out depending on the nature of the service, in addition to what level a person is on the poverty ladder. For example, the state may choose to provide a

universal low grade staple food such as yellow maize, and any person can buy at a low price, but the better off may choose to opt out of the service or product. The argument is that it is simple to administer because a universal provision may cover a demographic group, (Stolte and Ern  2006). For instance, in some countries like Namibia, they have a universal basic income grant (BIG) for all people aged 60 years and above in Otjivero-Omitara near Windhoek (Haarmann 2009). As long as long as there is proof of age, an individual automatically qualifies.

Targeting is a core characteristic of most transfer programs. Developed countries like the United Kingdom, the USA and other European countries use various targeting methods to address some of these challenges. Targeting involves the selection of a specific individual(s) or a group(s) based on some pre-scribed criteria with the aim of directing a policy, product, a service or resources (Chinsinga 2006). Thus, the design of policies or programs may deliberately favour a specific category of the population in order to achieve some objective.

Targeting arises from the notion that there are many categories of the poor with varying needs. On the other hand, resources are limited and therefore, targeting becomes inevitable. Thus, the main purpose of targeting is to be able to channel resources through various means to people that need them most with no leakage to non-intended beneficiaries (Chinsinga 2006). While in theory, targeting aims at having no leakages, in practice, this is quite a challenge especially in developing countries where no update records exist and the use of means testing is easy to implement.

Targeting is, however, administratively more demanding in terms of time, resources and implementation capacity as compared to universalism. According to Coady et al. (2004), decisions about whether to target, and what method to use depends on the relative size of the targeting costs and benefits and the decision vary with context. An assessment of the benefits and costs requires a measurement of targeting performance. A common approach to evaluate the targeting performance of alternative transfer instruments is to compare under-coverage and leakage rates. Under coverage is the proportion of poor households that are not included in the program due to errors of exclusion while leakage is the proportion of those who are included in the program but are not poor due to errors of inclusion (Coady et al. 2004).

Another significant aspect of targeting relates to the category of the poor to target. It is important to note that targeting is really about the question of deciding between investing in growth enhancing activities and social spending. While others see social expenditure as waste of investment, Rey and Estevan (2013) warn that the exclusive focus on economic growth at the expense of inequality and social marginalization may increase the plight of those in most poverty. They explain this point by drawing from the experiences of market liberalization policies that promote growth, but may affect the poor to participate effectively in the economy. What this points to is the fact that, while it is important to focus on economic growth, there should also be a consideration in adequately taking care of the poor.

Over the years, some quarters have favoured targeting the vulnerable but economically active households (Malawi Government 2006). The reasoning is that

these households have the human potential to turn resources into productive use. While there is a justification for this, new evidence suggests that even those who are not economically viable are capable of turning these resources into meaningful use. This thesis explores this debate.

In addition, targeting also aims at addressing some specific problems to achieve a specific objective for the different categories of the poor. For example, we can use targeting to achieve a particular development objective such as human development (Hulme and Moor 2001). This is because different categories of the society such as women, children, the aged, and HIV/AIDS affected households face distinct challenges; as such, targeting can be used to address such issues.

Another challenge regarding targeting is how to find an effective method for targeting the poor. Experience shows that one method may not be adequate to meet all the different targeting objectives. Coady et al. (2002) identified effective targeting as very critical to the implementation of social cash transfers while according to Coady (2004), making targeting mechanisms as transparent as possible and putting in place effective systems of accountability is very critical to the implementation process. Thus, it is not only the method that is important but also how effective it is, is equally important in delivering quality service. UNICEF (2007) supports this view based on the observation that in South Africa, there was a low take-up rate in some schemes because the application procedure was complicated. For this reason, many of the poorest households failed to access the transfers.

There are five methods used in targeting depending on the objectives of the policy or intervention though some of them are not applicable in developing countries. Most of these methods, however, do not work in isolation. In many cases, it is a combination of two or more. Table 2 lists these methods.

Table 2: Targeting mechanisms

Targeting mechanisms	Where applicable
Means-test	Commonly in developed countries where detailed data on individuals and households is available
Proxy means-test	Similar to the above but requires less information
Self-targeting	People chose to opt in or out of a program
Categorical	A service is targeted to a particular group e.g. women, children etc.
Geographical targeting	A service is allocated to a region or areas
Community-based targeting	Situations where the community can make the selection of households based on their local knowledge

Source: Coady et al. (2003)

Out of the five methods, community-based targeting is becoming popular in many developing countries. There is some evidence that community-based targeting appears to offer a solution to the many targeting challenges in developing countries, although it still remains a highly contested targeting mechanism among development practitioners.

Community-based targeting as the name suggests involves community participation in one way or another. There is no one definition of what constitutes a community such that community-based targeting comes in a variety of forms. Conning and Kevane (2000) define community-based targeting as a bottom-up service delivery option and poverty alleviation mechanism that actively involves the poor and their communities in program design, implementation and monitoring.

According to Adato and Haddad (2002), community targeting is a way of getting around problems of information on the poor, which is one of the constraints affecting most of the targeting methods in developing countries. Conning and Kevane (2000) echoes this point that community participation in targeting is important because it improves local understanding of vulnerability but needs clear and transparent criteria as community structures do not always represent the poor. Another important factor as argued by Nelson and Wright (1995) is that within the framework of democratization, community targeting is also perceived as integral to the notion of participation as an end rather than just a means (Nelson and Wright 1995).

Some studies have shown that community targeting can provide reliable and accurate results. A Report by Stolte and Ern  (2006) found that the engagement with elderly people (65 years and above) in Bangladesh had been helped by a committee of local elites, which undertook the targeting, selection of beneficiaries and monitoring of the process. They counted the number of elderly people in a village and came up with a figure higher and more accurate than the official one. The main arguments about the strength of community-based targeting is that the community or those involved in targeting have an advantage of identifying the poor based on their local knowledge.

However, the practice of community targeting varies across programs, regions or countries. What constitutes a community in one region may not be the same in another region. It is the same with targeting criteria. For example, Kebede (2006) found that community-based targeting in Ethiopia focused on those with the greatest chance of graduating, and the targeting indicator was lack of food for a certain period of the year.

One of the major criticisms against community targeting, raised by Ravallion (2000), is that sometimes the accountability disadvantage can out-weigh its purported informational advantage. Conning and Kevane (2000) likewise argue that the possibility that local preferences may not be pro-poor and therefore can tamper the potential improvement in targeting criteria from incorporating local notions of deprivation. For example, Adato and Haddad (2002) found that communities in South Africa in charge of hiring people to work on a public works project, using specially stipulated and elaborated poverty-targeting criteria, ended up devising their own ways of employing people to work on the projects. They preferred a random selection procedure to come up with names of eligible beneficiaries based on their understanding of the local context.

In addition, community targeting raises a number of ethical issues. How tight is community targeting in avoiding exclusion and inclusion errors? Is the criterion used by policy makers the same as the criteria as understood by the community? According to Ellis (2012), the poor believe that they are all poor despite some economic differences and therefore it is not possible to segregate the poor. These sentiments were also observed by Chinsinga (2006) in an evaluation of a 2003 Winter Targeted Input Program in Malawi where it was found that the community made some amendments to the criteria for identifying beneficiaries based on local perceptions of need, equity and entitlement

2.6.2 Affordability and financing arrangements

Affordability of social protection is still a major concern considering that many developing countries have small tax bases and largely dependent on donor support and yet there are large numbers of poor people that need to be supported. To date,

there are some considerations for alternative mechanisms for international social protection aid. For example, Basu et al. (2014) have proposed a Global Social Protection Fund (GSPF) as part of an international health aid. The fund would be the international equivalent to produce domestic tax collection and safety nets systems to finance care for the ill, disabled and other health related costs. Resource mobilisation will depend on the ability to pay while allocation will depend on need (Basu et al. 2014). These efforts demonstrate the commitment of stakeholders interested in the provision of social protection.

Take note here that affordability is a subjective rather than objective, and relies on the political processes and policy preferences of a particular polity (Hagen-Zanker and McCord 2013). Hagen-Zanker and McCord further argue that in the short to medium term, fiscal constraints can limit these policy preferences and the simultaneous achievement of development targets in the various sectors of an economy. In addition, affordability of social protection also relates to the percentage of the national budget or GDP and from literature, figures ranging from 2-8% of GDP are typical (ibid). Barrientos (2010) points out that we should consider financial sustainability carefully regarding domestic financing in the medium and long-term rather than relying on donor support. In countries such as India and Tanzania for example, governments struggle to provide adequate social protection, and citizens must instead depend on non-state actors and informal provision.

A review of literature shows that there are three levels of affordability of social protection depending of financing arrangements as shown in Table 3.

Table 3: Financing arrangements of social protection

Financing arrangements	Applicable to
Domestic	Medium income countries, Latin America and the Caribbean countries
Donor support only	Mostly in Low income countries
Domestic and Donor support	In some Low income countries

Source: based on Hagen-Zanker and McCord (2013)

The first level of affordability relates to financing social protection from domestic resources. Unlike in medium income countries such as Latin America and the Caribbean countries where domestic resources can support social protection, in low-income countries, it is not affordable to fund social protection from domestic resources without the international donor support (Barrientos 2013; Handa and King 2006). This renders governments efforts to depend on donors and yet donor support is fragile due to the fluid environment prevalent in many developing countries due to the changing role of the state, governance issues, political and economic instability (Cross and Kutengule 2001). Others have pointed out that social protection requires a major shift in the allocation of resources to be domestically affordable in low-income countries. This is because national governments have their own domestic pressures that affect the allocation of resources depending on policy priorities and may not match with those of the donor community (McCord 2009).

Due to the momentum that social protection is gaining, some countries have demonstrated the ability to afford very basic package of social protection without necessarily depending on development partners. Delegates at the Livingstone Call

for Action on Social protection concluded that a sustainable basic package of cash transfers is affordable within available resources of governments and international development partners (HelpAge International 2006). This evidence comes from a few countries in the south like Mozambique, Swaziland, South Africa and Botswana. A study using three case studies from Zambia, Malawi and Tanzania, McCord (2009) found that the total cost of providing social cash transfers ranged from 0.5% - 1.7% of GDP and 2%-4.2% of government budget. However, these are just the associated costs of social cash transfers for addressing the needs of a particular category of the poor and McCord further observes that the total cost of social protection for all poor would range between 2 and 7% of GDP depending on how large the policy package is.

However, one of the problems with a basic packages principle is that transfer rates turn out to be usually low, mostly pegged below the prevailing labour markets, sometimes even below the statutory minimum wage as a program design requirement to avoid attracting labour from other productive sectors. India and Zambia for example, beneficiaries used to receive US\$1.67 and US\$6.67 per month respectively (Farrington et al. 2005), well below the World Bank's US\$1.25 per day. It is questionable as to how these transfer rates can effectively uplift the poor out of poverty. Ninno and Dorosh (2003) argue that the size of the transfer plays a significant role. As already pointed out, transfer rates are a function of some of policy and program design requirements.

The second level of affordability relates to funding of social protection from donor support. According to McCord (2009), relying on donor funding for social protection

programs is problematic because governments are more likely to match donor priorities in order to be consistent with the funding criteria. Thus, in low income countries, unlike in Latin America and other middle-income countries, where funding is primarily domestic based, affordability and sustainability is a function of continued donor funding. For example, in Malawi (Malawi Government 2006) and Zambia (GTZ 2007) the current social cash transfers are donor-supported. This renders the future of social protection very uncertain. A particular example is the case of Malawi where donor dependency led the implementation of social cash transfers to stop for 8 months in 2009. This has implications for the impact these transfers can have on poverty and vulnerability. Coady (2004) points out that inconsistent flow of transfers, even if they reach target groups, may fail to make a sustained impact on poverty reduction. This observation is supported by Bourguignon and Ferreira (2003), who used an ex-ante evaluation methodology of micro-simulation to determine the impact for the Bolsa Escola in Brazil, a conditional means-tested transfer program. They found that while the targeting of the Brazilian Bolsa Escola programme was adequate and that poverty reduction through this instrument, although effective, was not automatic and that there was a need for more resources in order for the program to have sustained impact on the country's high level of poverty.

Predictable cash flows are very important because they help the poor with regular cash transfers with which they can access services such as health, education, transport and medication (Farrington and Slater 2006). Some developing countries such as South Africa, Lesotho, Botswana, Bolivia have introduced non-contributory

pension schemes which can be strategically integrated into people's livelihoods as a constant income stream (Willmore 2007).

The third level of funding is from both domestic resources and with donor support. This level appears sustainable in the short term because of the cost-sharing responsibility. Hagen-Zanker and McCord (2013) observe that some countries can afford a certain minimum percentage of contribution and this has renewed interest in social protection to the extent that many international development agencies and institutions are now calling for more predictable funding on a regular basis. DFID is one of the organisations that have been campaigning for regular and predictable funding.

2.6.3 Institutional capacity and policy processes

Institutions and policy processes can also undermine the effectiveness of social protection. Barrientos (2010) points out that it is also important to build capacities in measurement and analysis, policy design, implementation, program delivery and evaluation as these can impede the success of social protection. This is because many developing countries are characterised by a weak policy, institutional and political environment (Coady et al. 2002). Thus, just having resources is not enough. Devereux et al. (2007) points out that social protection also requires a strong supportive policy and institutional framework. Thus, social protection interventions should be implemented within national policy frameworks and poverty reduction strategies for effective delivery. However, this integration requires appropriate financing arrangements to ensure long-term implementation (HelpAge International 2006), but also hinges on a strong institutional and implementation capacity. In many developing countries, this is a huge obstacle due to lack of institutional capacity.

From the discussion above, we can see that humanitarian, technical, financial and political dilemmas affect the current state of social protection in developing countries. This is because while social protection is a human right, on the technical side there are financial and technical constraints. Others have summed that social protection in developing countries is constrained by three crucial factors: financial resources, institutional capacity and ideology (Farrington and Slater 2006; Norton and Conway 2001). In some cases, the problem is simply lack of political will and commitment. International Food Policy Research (IFPR 2004) points out that the ability to implement large-scale safety net programs for poor people depends on the availability of resources, the structure of institutions, and the level of political commitment at the national level. Ultimately, decisions about affordability have political as well as economic dimensions, and political support nationally and from international institutions is critical to these programs' viability (ibid).

Botswana is a good example that illustrates the fact that sometimes even where adequate financial resources and administrative capacity are in place, social protection measures may fail to reach the poorest groups due to lack of political will and commitment (Good 1999 quoted in Hickey 2006). Thus, politics may shape the actual implementation of social protection policies such as in cases where funds are re-directed on the basis of political support rather than the need of the poor (Hickey 2006).

Shepherd (2011) also points that there is enough evidence about the potential of social protection to reduce poverty, particularly social cash transfers but for some reasons, the uptake is still low mainly because of lack of political will and

commitment. A number of reasons have been suggested why this is the case. One of the arguments is that governments follow the international community by undertaking something that is not on their development priority list. In the case of Malawi, Chisinga (2007) observed that the international community dominated the policy process. DFID played a key role in the social protection policy design since 2005. The main issue is that social protection is a long-term commitment and therefore governments need to move with caution. The international conference on social protection held in Zambia in 2006 identified political will as the major driving force for long-term investment in social protection (HelpAge International 2006). In fact, evidence shows that social protection programs that arise out of domestic political agendas rather than being imported interventions are more likely to succeed in terms of coverage, fiscal sustainability, political institutionalisation, and impacts (Coady et al. 2002; Zucco 2010).

2.7 Focus and approach of this study

From the discussion above, it is evident that social protection has the potential to contribute to poverty reduction through labour market interventions, social insurance and social assistance provision but this potential has not been fully realised. Therefore, in view of this, this study aims to enhance our understanding of how we can harness the full potential of social protection with a focus on social cash transfers.

While some studies have been undertaken on cash transfers in general, there are not many studies on social cash transfers as these are just emerging as a policy option especially in low-income countries. In addition, most of the studies on the impact of

cash transfers on poverty focus on the narrow perspective of income and consumption aspects without considering other indirect welfare impacts (Lloyd-Sherlock 2006). The problem, as observed by Ashley and Hussein (2000), is that this tends to leave out the wider livelihoods picture as many livelihood impacts may not be easily quantified. In recent years, however, there has been a remarkable shift from the income/consumption based surveys to qualitative studies that aim at capturing non-income aspects of poverty (Hargreaves et al. 2007).

This study therefore aims to contribute to the qualitative approach to research on poverty by examining the impact of social cash transfers based on the multidimensional aspects of poverty, in the context of what poor people define as factors that influence their vulnerability, poverty, and well-being (Adato and Meinzen-Dick 2000). Sen (1988) argues that poverty reduction requires an understanding of perceptions and priorities of the poor themselves and Chambers (1997) argues that poverty reduction should also take into consideration of the reality of the poor.

Furthermore, the research uses the capability approach as a conceptual framework for measuring well-being and quality of life. The capability approach is an economic, social and philosophical theory conceived in the 1980s for understanding well-being and quality of life. This is a departure from other forms of welfare analysis based on utilitarian welfare economics.

Based on this framework, this study investigates how social cash transfers contribute to the capabilities of the poor and vulnerable to cope and recover from stress, ability

to access assets and capital endowments and the ability to achieve their livelihood objectives. In other words, how enabling are social cash transfers? What new capabilities and freedoms do recipients acquire and consequently enjoy arising from social cash transfers?

2.7.1 The capability approach

In relation to the capability approach of understanding well-being, Sen (1992:5), argues that “ a person’s capability to achieve functionings that he or she has reason to value provides a general approach to the evaluation of social arrangements and this yields a particular way of viewing the assessment of equality and inequality”. From a development perspective, Sen (1999b) in *Development as Freedom* also argues that, development should be seen as a process of expanding the real freedoms that people enjoy. Here we see three key concepts emerge: capability, achieved functionings and freedoms.

The basic idea behind these concepts is that capability deals with the potential, or energy, or ability to be and to do, achieved functionings are what the person actually achieves while freedoms as the term suggest is the space that a person enjoys. Therefore, in order to assess social protection role in reducing poverty means considering the contribution to the poor’s capability to achieve certain desirable objectives or the freedoms they can enjoy. Nussbaum provides a very simplified definition of capability as “what people are actually able to do and to be” (Nussbaum 200:6).

Here, however, we need to pay attention to detail as, what people are actually able to do and to be may not automatically translate into reality because of other factors.

For example, Mushi (2005) observed that we can apply the capability approach to well-being to various disciplines and therefore researchers should handle capabilities in relation to their area of specialization. The same Mushi (2005), in his study on empowerment using the capability approach identified four capabilities: knowledge capability, political capability, economic capability, and development motivation capability. In addition, he also found that the realisation of these capabilities require an enabling environment. In his study, he identified the economy, ideology, policies, programs, laws, institution and physical infrastructure as factors that are central to the translation of these capabilities into meaningful achievements. Therefore, in measuring empowerment, it is important to establish the linkages between the capabilities and enabling environment.

Sen defines capability as the various combinations of functionings (beings and doings) that the person can achieve. [It] is, thus a set of vectors of functionings, reflecting the person's freedom to lead one type of life or another or to choose from possible livings (Sen 1992:40). Although Sen uses the terms such as functionings, beings and doings, which may appear very confusing, but the sense is the same as that of having the ability or the potential of being able to be and do something. The term capability has also the connotation of freedom to live one life or the other based on some capabilities (ability to function). Alkire (2003) simplifies these terms further by considering functionings as an umbrella term for resources, activities and attitudes that people recognise as important.

While Sen is not committed to a specific capability set, Nussbaum has specified a set of capabilities that work as a set of goals that are supposed to expand existing

capabilities until we reach a threshold or basic minimum floor (Alkire 2003). Nussbaum has also been lobbying the international community for a consensus on a transnational overlapping capabilities list, to act as a set of goals for corporate international action and a set of commitments that each nation holds itself accountable to its own people (Nussbaum, 2000: 104).

As observed by Lorgelly et al. (2008), on the capability approach, well-being should not be measured according to what people actually do (functionings) but according to what they can do (capabilities). Robeyns (2005) points out that the approach is a normative proposition and therefore we should evaluate social arrangements according to freedoms people have to promote or achieve functionings they value. Alkire (2003) further simplifies the notion that progress or development or poverty reduction occurs when people have greater freedoms synonymous with greater capabilities. In other words, Alkire (2003) sums up by saying that life is better with expanded capabilities.

Robeyns (2003) defines functionings simply as an achievement whereas capability as the ability to achieve. Therefore, in this thesis, the focus is on how and the extent to which social cash transfers contribute to what people are able to do and to be, that is on the capabilities with which they can use to achieve the various combinations of functionings (beings and doings), to which a person aspires.

According to the capability approach, a person needs to have a capability set in terms of assets in order to function to achieve certain objectives. Nussbaum (2000) points out that there is need to have a set of capabilities that are to function as a set of goals

to be realised (by expanding existing capabilities until a threshold or bare minimum is crossed). Sen, however, does not have a list of capabilities while Nussbaum has come up with a list of ten capabilities.

2.7.2 Operationalising the capability approach

Based on the capability approach, the thesis evaluates social cash transfers in light of the impact on the capabilities of the poor as defined by the assets and livelihood strategies the poor have at their disposal. The main areas I considered in operationalizing the approach are as follows:

- 1) What people can be and do (capabilities they have acquired following the participation in the social cash transfer scheme)
- 2) What people have actually achieved following participation in the social cash transfer scheme
- 3) What enabling factors are important to achieve these objectives, that is for the poor to achieve what they achieved
- 4) And the freedoms (space) they can enjoy following the participation in the cash transfer scheme

2.8 Conclusions

This chapter has reviewed social protection as one of the components of poverty reduction policy in many developing countries. In this chapter, I have shown that social protection plays a very critical role in reducing poverty. From the objectives, conceptual meanings and theoretical debates of social protection, we can see that the objective of social protection is to compliment other policy initiatives for reducing poverty and vulnerability.

In this chapter, I have also discussed that social protection emerged due to the failure of development policies that had exclusive focus on economic growth and did not benefit the poor. As such, social protection in form of welfare aimed at supporting

the poor to smooth out income and consumption deficits. To date, social protection has expanded from just welfare to other perspectives such as the human rights-based social protection and the political and transformative agenda that goes beyond income to include other forms risk and vulnerability.

In the same chapter, I have also pointed out that there are three categories of social protection. These categories are labour market interventions, social insurance and social assistance. Out of these three categories, social assistance is the main form that is prevalent in many developing countries. Many poor people cannot afford contribute to social insurance or participate effectively in the labour market. Cash transfers, which are not contributory in nature come under this category of social assistance.

I have also pointed out that cash transfers in general appear to be quite versatile in addressing the needs of the poor as evidenced by the success stories from the Caribbean and Latin America where cash transfers have been used in various scenarios to meet the needs of the poor. These include supporting children and girls to stay in school, encourage pregnant mothers to attend ant-natal clinics and improve nutrition intake among children.

However, despite these success stories, there are some challenges and limitations of cash transfers. These include program design, affordability and financing arrangements, institutional capacity and policy process. Therefore, there is need for further exploration of cash transfers to enable us to understand how we can harness the potential of cash transfers. Having examined the various approaches to

understanding welfare and well-being, I have proposed to explore this through the capability approach. From this approach, I define poverty reduction in terms of efforts that expand the capabilities and freedoms of the poor. Capabilities in this case consist of the assets that the poor have and have access to as important elements for reducing poverty. Thus, poverty reduction is measured in relation to the extent to which poverty reduction initiatives enable or build on the capabilities of the poor.

In order to operationalise this approach, the study looks at what the recipients can be and do following their participation in the social cash transfer scheme under study. This means looking at the capabilities they have acquired following the participation in the social cash transfer scheme over the period prior to my research. This measures the potential that they have acquired. For real impact, I then look at what the recipients have actually achieved as measured by the change in their asset portfolio and livelihood diversification following participation in the social cash transfer scheme.

In addition to the capabilities, I also look at the enabling factors that help them to achieve these objectives; that is for the poor to achieve what they achieved. This is very important because an enabling environment such as policies play a critical role. Institutions and policy process can enable or constrain the poor to make progress.

Finally, I also consider the freedoms (space) the recipients can enjoy following the participation in the cash transfer scheme. This is in terms of benefits they can derive after acquiring additional assets and the diversification of their livelihood strategies. In this aspect, it also important that we examine the cash transfers

influence gender equality and empowerment of women through the reduction of gender- based risks.

The next chapter presents the research questions and the relevant research methodology that guided this study.

Chapter 3: Research methodology

3.1 Introduction

In the previous chapter, I discussed the role of social protection in reducing poverty. The review showed that in many development countries, cash transfers are the most common interventions for supporting the poor who are in chronic poverty. However, there are still some areas that require further examination if we are to harness the full potential of social protection. This study focuses on social cash transfers that target the absolute poor who are also labour constrained. Following the review, the study aims at addressing the following research questions:

- 1. How do social cash transfers help the poor in reducing chronic poverty and gender inequality?**
- 2. To what extent do social cash transfers help the poor move up on the poverty ladder?**
- 3. Does community based targeting effectively identify the eligible households?**

In this chapter, I present the research methodology that guided this study to address the above questions of enquiry. The research adopted critical realism as its underlying philosophy, with case study as the research design, and qualitative methods for data collection. It uses simple random sampling and thematic analysis for data. The chapter is organised as follows: The first section sheds some light on the genesis of the research, its aims and objectives. This discussion is then followed by looking at the methodological approach or the ontological and epistemological assumptions of the research which is positioned it in the critical realist domain. Following this is a discussion of the research design, sampling techniques, data collection methods, data analysis and a consideration of some of the ethical issues. Thus the chapter looks at all the stages of the research process involved in this study.

3.2 Research genesis, aims and objectives

Any piece of research work has a beginning. It can be born out of many factors. In my case, the idea to undertake this research was born out of the desire to understand how poverty reduction initiatives help the poor in reducing poverty in my own country, Malawi. This interest to acquire an in-depth understanding of how to help the poor reduce poverty comes from my experience in the implementation of targeted cash transfers in Malawi. These are mainly Public Works Programs (PWPS) which were self-targeting using a workfare requirement and setting the wage rate slightly below the statutory minimum wage.

In the 1990s, targeted cash transfers, under safety net programs were a common scenario in many development countries including Malawi. Safety nets programs aimed at cushioning production and consumption deficits of vulnerable households. Social safety nets were rooted in the packages following the implementation of Social Adjustment Policies (SAPs) which had negative impacts on poor households (Munthali, 2004). Therefore, in 1995, the Malawi government started to implement the first social safety nets funded by the World Bank's Social Funds program through the Malawi Social Action Fund (MASAF). These cash transfers were implemented under the Public Works Program. The main objective of these programs was to transfer cash to poor households and individuals through labour-based projects.

I worked for six years in the Public Works Division. During the six year period, I observed a number of issues that made me question the justification of these interventions. Firstly, the transfer rate (wage rate) was pegged below the statutory

minimum wage. While appreciating that this was one of the design parameters of PWP projects, I wondered how these low rates of transfers would uplift the poor out of poverty.

Unfortunately, in most cases project monitoring, evaluation and impact studies were tied to the log-frame project objectives without considering the wider livelihood impacts. Evaluations based on the log-frame objectives meant that as long as the project's output indicators were satisfactory, then projects were judged a success. My interest was then to move beyond this level of evaluation to understand what difference these transfers made in the lives of the poor. Unfortunately at that time, I did not have the skills and an analytical framework to explore some of these questions.

This interest was re-enforced through my engagement with literature in the development and poverty reduction discourse as has been demonstrated in the review of literature showing that to date there has been an increasing interest in cash transfers as an effective tool for reducing poverty. My engagement with literature enabled me to adopt a conceptual and an analytical framework which was presented in the previous chapter that I can use to analyse the impact of these transfers on poverty and vulnerability. In fact, the study also forms part of my personal research journey.

As already pointed out in the introduction in chapter 1, in addressing the research questions, the study also aims to contribute to research work on social protection and social cash transfers in particular.

3.3 Methodological approach to the study

The approach to research is one of the most important steps in undertaking a scientific research because it deals with the philosophy (thinking) behind the research, addressing questions of ontology and epistemology. Thus the first step in developing a methodology is to establish in what form the phenomenon under study exist, in other words, its ontology. Once its ontology is known, then the next step is to determine how we can know or measure it. Thus, while ontology is concerned about what exists, epistemology establishes how we know about what exists (Smith 1998).

Therefore, in this study, the first step was to establish in what form poverty exists and then establish how it can be studied. In what form poverty exists has been partially dealt with in chapter 2 when I reviewed the concepts of poverty, risk and vulnerability. This thesis adopted a multi-dimensional perspective in which poverty includes non-income variables and that what is perceived or observed as poverty is a result of many factors.

Methodological approaches come from various domains or schools of thought in relation to undertaking a scientific research. Some of the philosophical traditions that have informed social research in this respect include positivist, realist, relativist, constructionist and critical or emancipatory approaches (Robson 2002). The following sections present the arguments or the justification for positioning my research in the realist domain.



While positivists argue that quantitative methods applicable in the natural sciences can be applied to doing research in social science, realists argue that positivism is not appropriate for the social sciences mainly because its assumptions are not consistent with what constitute the social world. In fact, it is not only realists that oppose positivism: relativists, constructionists and critical or emancipatory approaches contend the same. One critic of positivism, Smith (1998) argues that unlike in the natural sciences, social science is a socially, culturally and historically situated practice and therefore it cannot be studied in the same way as the natural science.

Secondly, in positivism, the world or what exists is viewed as being made up of atomistic, discrete and observed events (ibid: 11) which is in contrast to critical realism which views the world as being made of layers: the empirical, the actual and the real. According to this view, the empirical represents the experiences (what we observe as poverty), the actual represents the events whether observed or not and the real represents the processes, structures, powers and causal mechanisms that generate events (Sayer 2000). Thus, based on the multi-dimensional analysis of poverty as discussed in chapter two, it can be concluded that while poverty and vulnerability are observable as empirical experiences, they are not atomistic and discrete and thus critical realism appears to be a more relevant research approach than positivism.

By using the concepts from capability and sustainable livelihoods approach, it can be demonstrated that what people experience as poverty and vulnerability are a consequence of some events resulting from the real (processes, structures, powers, and causal mechanisms). In this case, the real could represent policies, risks and other human or natural activities. Thus, poverty being defined as multi-dimensional

in nature and considering the various factors that affect livelihoods, one would argue, for example that economic shocks, inflation and price increases are events that may be the result of some policies in place, representing causal mechanisms. Schematically, the sequence from the real to empirical layer is represented in Table 4

Table 4: Realist approach to research

Real	Actual/events	Empirical
Policy 	Inflation 	Negative impact (Price increase resulting in reduced consumption of goods/services)

Source: Author's summary based on Sayer (2000).

These events impact on livelihoods of the poor and eventually manifest in people's lives in what we can observe as poverty and vulnerability. As critical realists argue, that empirical observations are not enough to show us everything, without the understanding of the mechanisms underlying the empirical observations (Sayer 1992; Baskar 1998; Sayer 2000), therefore understanding poverty and vulnerability (experiences) also demands on understanding the underlying events and casual mechanisms (e.g. policy) which manifest into poverty and vulnerability. In this regard, life histories were a useful tool to capture some of the events that pointed to some causal mechanisms that led to the current poverty and vulnerability as experienced by the poor.

Furthermore, poverty and vulnerability are real experiences. These experiences are not socially constructed as in the case of relativism which views reality as being dependent of human consciousness and that reality is socially constructed. In critical

realism, the world or social reality is viewed as existing independently of our knowledge (Sayer 2000; Robson 2002). In addition, while both critical realism and relativism acknowledge the role of language, relativism focuses on interpretation in order to understand reality. For relativists, what matters is that the researcher understands the different social constructions of what social reality means (Robson 2002: 27). In dealing with poverty, however, this is not adequate. It is important as in critical realism to explain the empirical with reference to underlying structures and mechanisms (Sayer 2000).

For example, as an application of this principle, this study has attempted to look at the policies and some of the factors that have given rise to poverty in Malawi. These issues are dealt with in chapters 4 where I examine how social protection policy aims at addressing poverty and vulnerability in Malawi. This is elaborated in more detail in chapters 6 and 8. In chapter 6, I examine the household characteristics which are proxies of poverty and vulnerability. In the same chapter, I also look at some of the underlying causes of poverty and vulnerability while in chapter 8, I look at some of the impacts of social cash transfers on poverty, gender inequality and vulnerability.

Relativism falls short of getting into the domain of the real of social reality as it only deals with the interpretive aspect, of which, as far as the realist is concerned, is only operating at the empirical level. This leaves out the real and actual dimensions of social reality. Critical realism argues that interpretation is only one side of the story, it is not adequate to understand reality. This means that understanding poverty cannot be achieved based on interpretation of empirical observations. The

sustainable livelihood approach offers this capability of going beyond the empirical by exploring the various factors that enhance or constrain the poor.

Another aspect is that critical realism advocates for an explanation of social phenomenon. It also rejects positivist's assumption that only that which can be experienced and observed can be regarded as real and, therefore important to science (Sayer 2000). Thus, it becomes necessary that in studying poverty, there is need to go beyond what people experience and deal with the underlying causes of those experiences. Therefore, one way in which we can begin to understand the underlying causes of poverty is by analysing empirical experiences of people, explanations and perceptions through the realist lens.

In critical realism, the conception of causality also differs from the positivist's view of regular patterns of events. The positivist regular pattern is only applicable in closed systems and not in open systems such as the social world. In the social sciences, it is rare and not possible to find universal propositions and constant conjunctions or regular patterns of events as in the case of positivism (Robson 2002). Since the study was conducted in a social setting, which is assumed as an open system, positivism was not appropriate because its assumptions are not consistent with open systems.

While critical realism agrees with the positivist view of social science that it has to be empirically based in order to be explanatory and predictive, critical realism emphasizes on explanation as the main objective of social science. It is argued that to explain a phenomenon requires the knowledge of the underlying structures and

mechanisms at work (Sayer 2000). Thus, as the study is about understanding how social cash transfers help the poor move out of poverty, critical realism is seen here as the philosophical and methodological position that adequately addresses the ontological issues related to this research.

In fact, realists argue that critical realism provides a framework for social science that is critical of the social phenomena that it tries to explain and understand (Sayer 2000). It is claimed that it is by being critical that we can understand and explain social phenomena. After all, while critical realism rejects positivism, it takes on board some elements² of relativism and of critical or emancipatory approaches (Basker 1986 quoted in Sayer 2000) Thus, critical realism is appropriate because in trying to understand how cash transfers impact on the construction or shape of poverty and vulnerability, an understanding about the relationship between the empirical, the actual and the real is important.

In terms of knowledge, critical realism views knowledge as consisting of intransitive and transitive objects. Intransitive objects are structures and mechanisms or the objects of science that exist independently of our knowledge while transitive objects are the concepts, theories and laws that are designed to describe or the theories about the world (Sayer 2000). Thus, observation is not enough to tell us what exists, because the object may not have been actualized, therefore what is observed may not be real (Sayer 1992). Therefore, in order to understand the construction of poverty it is important to look at these causal relationships.

² Role of language

3.4 Research design

The purpose of this section is to elaborate on the choice of my research design. A research design is a plan for conducting a study (Berg 2007) or a logical framework for data collection and analysis to enable the researcher answer the research question (David and Sutton 2004: 133; Burnham et al. 2004: 30). A research plan has both theoretical as well as practical implications. At theoretical level, the research design is influenced by the philosophical approach adopted for the research while at practical level, the research design influences what relevant research methods and techniques can be used and how the data can be analysed.

As the purpose of research is to find answers to questions through the application of systematic procedures (Berge 2007), there are a number of implications for social research arising from the philosophical perspective of critical realism. In critical realism, the objectives of the research and the way questions are framed determine the research design in terms of its depth and breadth. Thus, studying the impact of cash transfers on poverty and vulnerability required a critical reflection at all the stages of the research starting from the way questions were framed, the methods used for data collection and in the analysis and interpretation of data.

Based on the critical realist approach, this study adopted the case study design. The basic tenet of a case study is that it aims at collecting and analysing a single case (Bryman 2004; Gillman 2000). Case studies are also best suited where a researcher collects intensive data from the case (Yin 1993 2003; Gillman 2000) in order to address the research question. Yin (1993) also points out that another condition is

when the subject under study may not easily be separated from the context, requiring data from both the context and the case.

The choice of the case study design was also influenced by the very fact that in Malawi, there are various types of cash transfer schemes targeted at various categories of the poor. All these different cash transfer interventions cannot be covered under one study. For example, targeted social transfers use a variety of targeting methods, varying degrees of innovations and other project specific characteristics. Some transfers are conditional while others are unconditional in nature.

In this case, I chose the social cash transfer scheme which targets poorest 10%. It is also an interesting case study because this scheme is a departure from the traditional social protection menu because it targets 10% of the poorest who are also labour constrained. Traditionally, cash transfers have been targeted to the poor who are deemed to be productive compared to this category which lacks productive labour.

Concentrating on this particular case also means that maintaining reliability, replicability and validity of the research can be maintained. In other words, replicability can be achieved by sticking to the same parameters of the case. Specifically, the study used single-case study design; that is one case in one location as compared to multiple case designs (one case in different locations). The case in this study was the type of the transfer project (social cash transfers targeted at absolute poor and vulnerable), purposely selected while the unit of analysis is the household.

As the study is about meanings, experimental designs could not have effectively addressed the research question. Experiments require a manipulation of an independent variable in order to determine what variations occur in a dependent variable, which was not the case in this study. Cross-sectional designs were not appropriate either as they entail collecting data at a single point in time across the sample. Longitudinal designs, both panel and cohort study designs were not suited for this study either due to time and financial constraints as they require collecting data more than once.

3.5 Research methods and data

A research method is a tool for collecting data (Berge 2007). In critical realism, research methods could either be quantitative or qualitative in nature. Qualitative research methods are also categorized as either intensive while quantitative research methods are described as extensive (Sayer 2000:21). This study is categorised as intensive as it used qualitative methods. Qualitative research attempts to find answers to questions through an in-depth analysis of qualitative data from different social settings in order to understand how people structure and give meaning to their daily lives (Berg 2007). Sayer (2000) warns that because social practices are influenced by ideas that may be true or not true, if not critically examined, it may lead to failure to understand the phenomenon under study.

In this study, the capability approach was very useful in guiding the various aspects for data collection, recalling that this approach takes into account of non-income variables of poverty. Out of the various qualitative research methods which are used in the social sciences, the study used semi-structured interviews, life histories, key informant interviews and observations which can be used in the critical realism.

These methods were deemed appropriate because they enable researchers to understand different social construction of meanings and knowledge (Berg 2007). In order to address the research question, data was collected on assets owned, livelihood strategies, use of cash, supporting programs and institutions, targeting, role of CSPC and amount of cash transfers. The interview schedule is attached in the appendix while the research methods are listed in Table 5.

Table 5: Research methods and data sources

Source	Tool/ Method	Scale	Strength	Weakness
Cash Transfer recipients (Impact of transfers)	Semi structured Interviews, Life Histories, Observations	31 but with follow ups 14 life histories, with follow ups	Provided rich data from which showed intergeneration transmission mechanisms of poverty	Bias can arise as recipients may want to provide information that favour for continuity of the scheme
Community Social protection Committee (CSPC) (Implementation issues)	Informal discussions , Focus Group Discussions	12 committee members 12 Committee members	Information on implementation experiences at community level	May not reveal their own weakness for fear of reprisal
District Social protection Committee (DSPC)- Implementation and policy issues	Interviews	5 key staff	Information on implementation experiences at district and community level	May not reveal their own weakness for fear of reprisal
Ministry Staff (Implementation and policy issues)	Key Informant interviews	MoWCD Local Government Ministry of Finance	Well-structured information on policy, institutional and financial issues	May miss out critical issues as an interested stakeholder

Source: Author's summary

The first formal contact with Machinga District Assembly was on 4 May 2009 while the Ministry of Women and Children's Affairs granted the permission to collect data on 27 May 2009. Actual data collection started on 5 August 2009 and completed on 12 December 2009.

3.5.1 Semi-structured interviews

The study conducted 31 formal semi-structured interviews out of 71 recipients in T/A Mlomba in Machinga district, Malawi between 5 August and 12 December 2009. The recipients were registered in March 2008 but stopped receiving transfer in December 2008 due to funding problems, a period of 8 months. By the time I was undertaking my research, they had stayed 8 months without receiving the transfers. The original plan was to interview 71 households but data reached saturation at 31 interviews. The 71 recipients comprised three clusters, namely: Nampemba, MgOverseas Development Institute and Chimwankhunda. Nampemba had 27 recipients, MgOverseas Development Institute had 23 and Chimwankhunda had 22 totalling to 71 recipients. In addition, there were follow up interviews on some households depending on the issues that were emerging. The interviews aimed at collecting data on a number of variables which were taken as the main areas related to the research question. The main areas of focus were household characteristics, means of living before and after joining the scheme, assets owned before and after the scheme, exit strategies, linkages with other programs and institutions and role of community social protection committee.

In all the interviews, a minimum of two members of the social protection committee were present. This approach was meant to ensure trust of the committee members

and the households being interviewed. The interviews were conducted in Chichewa but in some cases I had to use an interpreter because some of the recipients were not fluent in Chichewa although they could understand. Data was recorded on an interview sheet. I also had a journal for taking notes.

3.5.2 Key informant interviews

Key informant interviews were undertaken with key social protection personnel. I spent substantial amounts of time with Social Protection National Desk Officer, Mr Reagan Kaluluma who provided me with reports and project documentation. He was the link with the Ministry of Women and Child Development in Lilongwe.

Other key informants were the Machinga district assembly staff. These are the district social protection desk officer, Mr Kampapa, the District Commissioner, Mr Makonokaya and the Director of Planning and Development, Mr Luhanga. At community level, I also interviewed one extension worker, Mr Walaka of Masindi Deep Tank who provided useful information regarding veterinary services at community level.

3.5.3 Focus group discussions

Focus group discussions aim at discussing a specific topic (Burnham et al. 2004:105). The idea is to have an in-depth understanding of an issue. Focus group discussion in this study was conducted with the CSPC only (see Appendix 4). This was to allow for an in depth understanding of the implementation issues such as targeting, monitoring and other project specific issues. Focus groups are also quite useful in discussing sensitive issues. One focus group discussion took place with the

committee members. There are 12 members of the committee who share the impact area which is divided in three zones. Each zone is under the responsibility of four members.

3.5.4 Life history data

Some data was also collected using life histories in order to understand factors related to how their lives have been shaped over time. Coninck and Drani (2009) observed that poverty in old age is likely to be linked to conditions and events that occur earlier in life. They also point out that it is these personal histories that leave some women more vulnerable than others as they enter their retirement years. Thus, they argue that poverty may, in fact, be virtually unavoidable for many older women given their lifelong experiences. Therefore, the economic status of many poor older women may simply reflect the cumulative effect of weak employment histories, financial and marital instability, and an overall lack of opportunity for asset accumulation and provision for retirement.

A total of 14 life histories were undertaken during the same period from 5 August to 12 December 2009. These 14 life history data sample was from the same 71 recipients. Some of the interviews were on the semi-structured interviews while others were from recipients who were not interviewed. The idea of life histories was to enrich the data collected from semi-structured interviews. Most of the life histories just followed a simple leading question to explain their background, when they were born, where, their family life and how they have progressed in life up to the present.

In addition to the interviews, I also conducted some interviews on 15 non-beneficiaries out of the ones who did not manage to qualify in the scheme. It should be noted here that what is recorded are just sentiments and may not represent exclusion errors. At the time of research, details for these households were not available and it was not possible to do a comparative analysis with households benefitting from the scheme.

I found that life histories provided rich data which helped me to understand the transmission mechanisms of poverty from one generation to another. This data also provided insights into the causes and the consequences of poverty. The main key issues that emerged out of these interviews were: failure to access education because their parents could not afford school fees and going into early marriage as a way of dealing with poverty. However, the interview data also shows that although getting into early marriage was seen as a solution, in the end it only made the situation even worse as most of these recipients were caught up in poverty again.

In addition, life history data shows some gendered dimensions of poverty. Some women were forced to marry through cultural norms, while some resorted to getting married as a last resort. This shows some limitations in their choices and also the idea of dependency on their spouses.

3.5.5 Observations

While collecting data, observations were also made regarding the general living conditions and welfare of the recipients. This was noted in a journal and sometimes

recorded using a still camera. Data from observations also provided an insight in understanding the context of the scheme.

3.6 Sampling procedures

As this study followed single case-study design, I used purposeful sampling from study sites which were deemed to provide relevant data to enable me address the research questions. In order to do this, I looked at the period of implementation, the number of recipients and the level of accessibility to the study sites. There were seven districts implementing these schemes and were at varying stages. The district that I chose had implemented the scheme for over a year and accessibility from Blantyre as my base station was easy.

There were several stages involved in the sampling process. During the initial design stage, I selected Machinga district. This initial selection was based on the information from reports and project documents. The districts were selected based on the length the scheme has been operating and access to the district considering some resource constraints of the researcher. As I was based in the Blantyre, it was necessary that I selected a district from the southern region. Machinga District was appropriate to provide the required data. Once the district was identified, the next stage was to identify the area for study as the case study location. The scheme operates by village group clusters. A village cluster comprises a number of villages and has 750-1500 households.

Once the area was identified, probability sampling technique was used to sample the participants. Specifically, I employed simple random sampling for interviews.

Random sampling basically entails selecting individual cases from a sampling frame. As the recipients were on the register, this was used to obtain the sampling frame. In some cases, purposive sampling was used for specific topic areas of interest. For example, where a case was considered a success story and in order to gain more insights of the scheme, these were selected for more detailed interviews.

3.6.1 Context and location of the study

This study uses data that was collected from Machinga Social Cash Transfer Scheme in Malawi in TA Mlomba. Targeting in the scheme is by household. A household has to meet two eligibility criteria: being ultra-poor and labour constrained. According to the implementation manual, the first criteria entails that they are in the lowest expenditure quintile and under the ultra-poverty line (only one meal per day, not able to purchase essential non-food items like soap, clothing, school utensils, begging, no valuable assets). A labour constrained household has no able-bodied household member in the age group of 19 to 64 who is fit for work. A household also qualifies if one household member in the age group of 19 to 64 years who is fit for work but has to care for more than 3 dependents or household member is under 19 years of age or over 64 or are unfit for work because they are chronically sick, or disabled or handicapped.

3.7 Dealing with research ethics

3.7.1 Entry point

In terms of entry, the first point of contact was at the Ministry of Women and Child Development because it is the umbrella ministry responsible for implementing the Malawi Social Transfer Scheme. After I was given permission to undertake the research, I contacted Machinga District Assembly. The district assemblies were not

much of a problem because the Ministry has the overall oversight of the scheme. However, it was still necessary due to local politics as the Assembly acts as a gate keeper at district and local level. At district level it was very necessary to do so as one way of recognising their role and solicit rapport.

3.7.2 Ethical issues

Research ethics deal with moral aspects of undertaking a research (Walliman 2006:148). I had to get permission for access to the recipients as one and the obvious first ethical step. Communication was mainly through postal letters, phones and e-mail. In some cases, I had to visit offices of the people involved.

Berg (2007:53) rightly puts it, that since research involves dealing with social life, it is important to ensure that the “rights, privacy and welfare” of the participants are protected. In particular, since I was dealing with issues of poverty and vulnerability, I had to be extremely careful with the participants. Liamputtong (2007) observes that researchers have to be particularly sensitive especially when dealing with vulnerable people. The idea of thinking through the anticipated ethical issues during the research design is very important. According Mason (1996), it really helps a researcher to be ethically principled as the research proceeds so that any eventualities are professionally managed. Some of the ethical issues that were pertinent to my research were voluntary participation, informed consent, privacy, anonymity, confidentiality, no harm and responsible dissemination of results.

A fundamental ethical principal of social research is to avoid forcing people to participate but ensure that it is voluntary at all times (Neuman 2004). Voluntary

participation was achieved by briefing the recipients of the scheme. They were at liberty not to disclose their names and remain anonymous. However, in most of the cases, the recipients did not see any problem to disclose their names. These names were cross-checked against the register.

To ensure effective communication, the study used Chichewa and Yawo languages especially at community level. Some recipients were able to communicate in Chichewa while others used Yao. I used an interpreter from Yao to Chichewa and then into English. Loss of meaning was reduced because of the researcher's knowledge of Chichewa and English. Recording was done either in Chichewa or English. English was mainly used to communicate with officials at district level. Briefing included local leaders and community development committees as these are the gatekeepers that communities do respect.

Informed consent was not an issue at all because the recipients were already aware of the research and its intended purposes. In fact, they had already been involved in other studies prior to this research and therefore it was not something completely new. After all, it was eight months down the line since they had stopped receiving cash transfers and they felt that this was an opportunity to express their concerns about the importance of the scheme to the government.

Since Malawi attained multiparty democracy in 1994, the social, political and cultural climate has changed. Some people are at least aware of their human rights, there is some degree of freedom of expression and therefore people can make choices freely (to some extent). Therefore, at every stage informed consent was

necessary. All the interviewed recipients did not see it necessary that informed consent should be in the form of a signed agreement. Although these people are poor and also illiterate, it was still important to have their views known so that they participate voluntarily.

Collecting data related to peoples' livelihoods entailed observing participant's private life in one way or the other. Flick (2006) points out that it is always important to respect participants' values and decisions at all times, and not invading their privacy. Recording instruments such as a camera were not used without the consent from the participants.

Anonymity and confidentiality was also applied as data collected related to people's assets and their social-economic activities. Anonymity means protecting the identity of specific individuals from being known (Neuman 2004) or subjects remaining nameless (Berg 2007). Confidentiality includes information with participants names attached and secured from the public and the researcher uses the data in a way that does not identify specific individuals who provided the information (Neuman 2004). This was managed through a policy that allowed participants to choose between being for anonymous or opt for confidentiality.

The study did not appear to have induced any psychological harm although the study is related to the impact of an intervention on people's lives. For example, if an intervention had some negative impact on the recipients, asking them about the intervention could have reminded them about those negative impacts upon their livelihoods. Care was also exercised in the wording of the data collection

instruments and during interviews to respect the views of the respondents and being sensitive to their feelings.

3.8 Data analysis

After collecting data, the next question was where do I start from and what do I do with the data? This section discusses the methods of data analysis and how these methods were applied.

Data analysis is the processes of organizing raw data before conclusions can be drawn (Berg 2004). The main stages of data analysis consist of data reduction, display, conclusion and verification. According to Williman (2006:132), data reduction is the process of transforming the raw data to a position from which we can draw out themes and patterns, while display involves presenting the data in tables and summaries from which conclusions can be drawn and verification entails checking whether the conclusions that have been drawn are valid.

There are several methods of qualitative data analysis such as analytical induction, grounded theory, narrative analysis, qualitative content analysis, semiotics and hermeneutics (Bryman 2001). However, the choice of method (s) depends on the type of data collected and the overall approach to the study. In this study, the method that was seen as appropriate for analysing the qualitative data is thematic analysis.

Thematic analysis is one model of narrative analysis that emphasizes on “*what* is said than on *how* it is said” (ibid: 412). Thematic analysis aims at identifying emerging themes from data. It is more inductive than content analysis. It also

endeavours to deal with issues of data fragmentation inherent in most methods of qualitative data analysis.

Thematic analysis as one form of narrative analysis appears appropriate in this study because from the sustainable livelihoods perspective, people's livelihoods are seen as a story. People's livelihoods are always changing, dynamic and constantly flowing. Therefore, people's access to cash transfers becomes just part of that story. Collecting data using interviews and focus group discussions only tapped into that story. Therefore one other important aspect in this study is to see how the story emerges in relation to how people's lives are being shaped by these cash transfers.

Qualitative content analysis, semiotics and hermeneutics were not appropriate because they are more applicable to interpreting documents. Grounded theory was not applicable either in this study because its features are not consistent with the research design. Grounded theory relies on theoretical sampling which was not the case in this study. Furthermore, grounded theory is more concerned about development of theory out of data and the process of data collection and analysis goes back and forth (David and Sutton 2004).

Analytical induction was not appropriate either as it requires having a research question and hypothesis. Analytical induction also aims at finding universal explanations in all the cases until all cases are consistent with the hypothesis. This is not the case in this study as it aimed at understanding the role of social cash transfers in the context of sustainable livelihoods and there was no hypothesis. The other

limitation with analytical induction in this study is the fact it did not aim at testing consistencies.

As the name suggests, thematic analysis is one of the inductive forms of data analysis and involves generating themes and patterns from data. This means that categories had to emerge from data. Again considering the fact that the study is qualitative in nature and is dealing with meanings and interpretations, categories or themes were not identified a priori.

The first stage in analysing the data was to make a summary of themes emerging from field notes and interviews. Identifying themes at this stage was important because this was useful in shaping the literature review and consequently the general direction of the thesis.

The rationale for generating themes from interviews was to aggregate these data in a manageable form. As the interviews were semi-structured and thus used open ended questions, the answers were not always the same. Although the study used an interview schedule to guide the interviewer to collect data on some specific aspects of the cash transfers, people's experience vary according to context. Even where people had similar experiences, they did not express it in the same way because of the role of language. This is not the case with structured interviews. Ezzy (2002) observes that the advantage of the structured interview is that each respondent receives the same type of questions. Structured interviews also simplify the data analysis in comparison to unstructured interviews. However, Gillham (2000:5)

argues that while open ended questions improve the depth of data, they may also be problematic during the analysis. This is where thematic analysis became useful.

The next stage was to link up the emerging themes in order to identify the main issues. Basically, this process aims at organizing the data around the research question and objectives. The final stage was to undertake a selection of main issues singled out that formed the main aspects of the thesis. These issues also determined how the findings were to be displayed. For example, once the issues were singled out, they helped me to structure the thesis in terms of what is to be covered and the logical flow.

Quantitative data analysis was done on some of the data collected on the characteristics of the sample. For example, the study was interested to have an overview of the distribution of recipients by gender (sex) and age. This data is presented in tables, summaries as well as graphs and charts. A number of descriptive statistics were undertaken by running statistics appropriate for each type of data using SPSS (Statistical Package for the Social Sciences).

In order to undertake analysis of this data, firstly, the data was coded before entering in SPSS from which a number descriptive statistics were run using measures of central tendency (mean, median and mode) in order to have an initial overview of the sample.

3.9 Conclusion

This chapter presented a research methodology that enabled the study to answer the research question regarding the impact of social cash transfers on poverty, vulnerability and gender inequality. I have also discussed the choice of my research design and relevant research methods that I used during the study. The use of life history data proved to be very informative as the data revealed traces of how poverty is passed on from one family to another. The same life history data also revealed some gendered dimensions of poverty amongst women. This is very important because it does inform us of how we can tackle gender-based poverty and vulnerability as well as intergeneration poverty.

The chapter examined how critical realism is an appropriate approach for doing scientific research in the social sciences. In this approach, there are a number of assumptions that renders this approach ideal in comparison to positivism which considers that methods used in the natural sciences cannot be used in the social sciences. Unlike in the natural sciences, social science is a socially, culturally and historically situated practice and therefore it cannot be studied in the same way as the natural science.

Since critical realism views the world as being made of layers makes more sense in relation to poverty because while poverty and vulnerability are observable as empirical experiences, they are not atomistic and discrete as in the case of positivism. The sustainable livelihood approach consolidates this fact because it can be demonstrated that what people experience as poverty and vulnerability are a consequence of some events resulting from the real domain.

In terms of application, critical realism offers a multi-layered approach to social reality. This means for example, looking beyond the empirical as is the case with this study which has attempted to examine the various factors that may have given rise to poverty in Malawi. The main point is that regular patterns of events do not exist in the social world and therefore it is important to have a critical approach.

Another important aspect about critical realism is that it offers flexibility in the way research is conducted. Starting with how the objectives of the research are framed determines the direction of the research. As in this study, the research objectives are multi-layered to align with the empirical, events and the real. This flexibility is also reflected in methods for data collection in that both qualitative and quantitative methods can be used. While some methods put more emphasis on one layer, life histories spanned across the three layers of reality as they showed how the current poverty experience is related to other events which happened in the past.

Thus the adoption of critical realism in this study is based on how poverty has been defined (multi-dimensional) based on the sustainable livelihood approach for understanding the multi-dimensional aspects of poverty. From this framework, it is possible to see the multi-layered reality of poverty from the real, events and then empirical experiences. Thus, in relation to my research, the objectives, data analysis and presentation have been structured around this thinking.

What is more interesting is that critical realism helps us to look beyond the empirical observation and deal with causal mechanisms. In this way, policies based on such an

analysis can be very effective in reducing poverty. Without this critical realist lens, poverty reduction can be a real challenging task.

The next chapter starts with the policy and institutional environment for supporting the poor, representing the real domain which can create events like inflation resulting into what we perceive as poverty.

Chapter 4 : Social protection in Malawi: an overview

4.1 Introduction

Social protection is one of the components of poverty reduction policy in Malawi. It is part of the Malawi Growth and Development Strategy II. In fact, social protection measures have been used since independence in 1964 but it was in 2006 that the government of Malawi started to put in place a social protection policy framework. To date, social protection is making a significant contribution to the reduction of poverty and vulnerability in Malawi.

The main aim of this chapter is to examine how social protection supports other poverty reduction initiatives in Malawi. In the first section, I provide a brief background of the nature and levels of poverty in Malawi. In realist terms, it is important to understand this context in order to deal with poverty and vulnerability in an effective way. This analysis enables us to appreciate the nature of the poverty that social protection policy aims to address. The second section moves on to examine social protection as a policy response and how it has been used to address poverty and vulnerability. The main variables of interest are the social protection package, the general economic and political environment within which social protection is implemented, institutional and financing arrangements. The section that follows looks at the various social protection interventions that have been and are being implemented in Malawi including the current social cash transfer scheme. The final section draws everything into a conclusion.

4.2 Nature and scale poverty in Malawi

Poverty in Malawi is characterized by low per capita gross national income, low life expectancy, low literacy rate, high infant mortality and is compounded by high prevalence of HIV/AIDS (World Health Organisation 2008; United Nations Development Programme 2010). Table 6 shows some of the poverty indicators as of 2010.

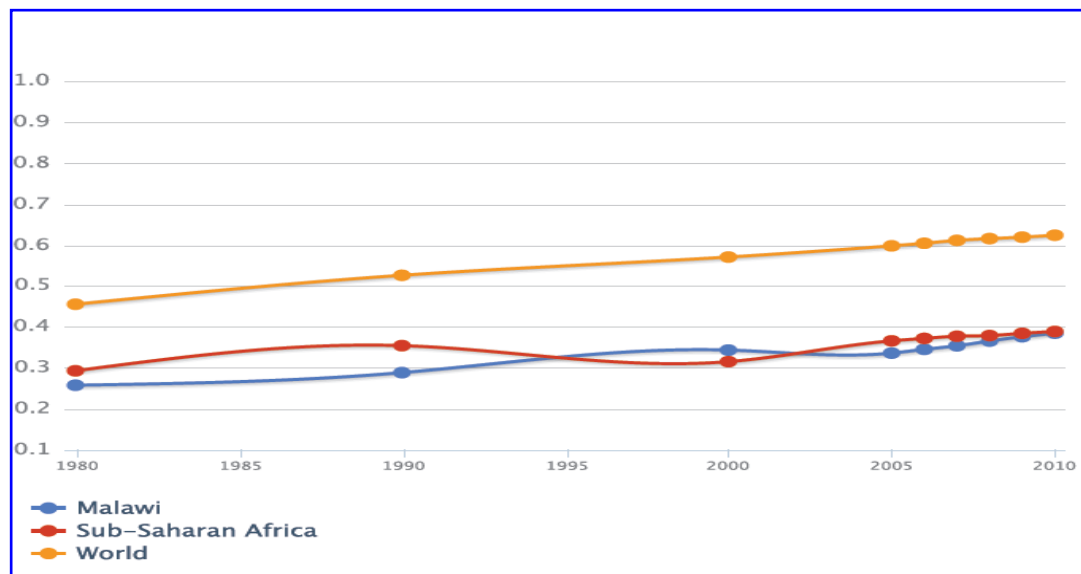
Table 6: Human development indexes for Malawi

Index of measure	Indicator and value
Health	Life expectancy at birth (years) 54.6
Education	Mean years of schooling (of adults) years 4.3
Income	GNI per capita (constant 2008 US\$PPP) 911.0
Inequality	Inequality –adjusted HDI value 0.261
Poverty	Intensity of deprivation 53.2
Gender	Gender Inequality Index, value 0.758
Sustainability	Adjusted net savings (% of GNI) 25.1
Human security	Refugees by country of origin (thousands) 0.1
Composite indices	HDI value 0.385
Human Development Index	Rank 153

Source: United Nations Development Programme (2010)

Although data shows that from 1980, Malawi has made some progress towards human development as shown in Figure 2. Figure 2 shows that Malawi progressed from close to 0.3 in 1980 to about 0.4 in 2010 on the HDI. However, the human development report of 2010 still ranks Malawi at 153 on the human development index as one of the poorest countries in the world.

Figure 2 : Human development indexes as of 2010



Source: United Nations Development Programme (2010)

By 2008, the population of Malawi was 13 million with a growth rate of 2.8% (NSO 2008). According to integrated household survey of 2008, 52.4 % of the population lived below poverty line and 22% were ultra-poor. The 22% ultra-poor lived on less than US\$.20 per day. Out of the 22% ultra-poor, 10% were also labour constrained (Malawi Government 2006). By 2008, statistics showed that poverty had decreased from 52.4 % in 1998 to 40% in 2008, and the percentage of ultra-poor decreased from 22% in 1998 to 15% in 2008 (NSO 2008). The steep drop from 52.4% in 2005 to 40% in 2007 is explained by the change in methodology for determining poverty levels³.

³ The data from the IHS2 is not directly comparable to the past poverty levels. A change in survey instruments and methodology required an effort to compute the poverty rates for the previous IHS using the current methodology. In this exercise, poverty estimates from IHS1 were estimated using regression models to impute expenditure per capita based on comparably measured household characteristics. The IHS1 poverty rates were calculated at 54% (Malawi Government 2006)

Table 7: Disability statistics for Malawi

Area	Total persons with disabilities	Type of disability				
		Seeing	Hearing	Speaking	Walking	Other
Malawi	498,122	133,273	82,180	30,198	108,870	143,601
Urban	45,379	14,689	6,462	3,291	9,712	11,225
Rural	452,743	118,584	75,718	26,907	99,158	132,376

Source: National Statistical Office (2008)

In addition to being poor, the ultra-poor are also characterised by lack of labour which is a major contributing factor to vulnerability. Lack of labour means that this category of the poor cannot effectively benefit from mainstream labour based interventions. Labour constraints may come about due to physical or mental disability to the extent that an individual is not able to engage in productive work. Lack of labour may also arise because of old age, being a child or a widow. According to the NSO (2008) report, 4 % of the population was above 65 years old, representing a population of 2.8 million people. By 2008, there were a total number of 498,122 persons with disabilities, representing about 4 per cent of the total population as shown in the Table 7.

Disability is also another cause for some individuals to be labour constrained. According to NSO (2008), disability has been defined as having difficulties or problems in one or all of the following areas: seeing, hearing, speaking and mobility. The following types of disability were identified in the NSO (2008):

problems with sight (26.7%), problems with mobility (21.9%), hearing problems (16.5 %) and less than 1% with speech problems.

Being labour constrained also embraces those that are able-bodied but are engaged in care giving duties to the extent that they are unable to get involved in any productive work. As of 2008, orphans represented 12.4% of the population under the age of 18 years. NSO (2008) defines an orphan as a person aged below 18 years, who has lost at least one biological parent.

Demographic indicators also point to high levels of poverty. According to UNICEF (2007), infant mortality rates were high, and life expectancy at birth was 50.03 years. There was a high adult prevalence rate of HIV/AIDS with an estimated 930,000 adults or 11.9% of the population living with the disease in 2007. There were approximately 68,000 deaths a year from HIV/AIDS. Approximately 250 new people were infected each day, and at least 70% of Malawi's hospital beds were occupied by HIV/AIDS patients. The high rate of infection resulted in an estimated 5.8% of the farm labour force dying of the disease, and HIV/AIDS was expected to lower the country's GDP by at least 10% by 2010.

In the last decade, Malawi has also registered a steady decline in health care delivery, education and general living standards despite a positive upward economic growth averaging 7% since 2005 (World Bank 2007). There is also high income as well as gender inequality that affect many to effectively participate in the economy. These high poverty and vulnerability levels have been the major reasons for adopting social protection in Malawi, discussed in more detail in the following sections.

Literacy figures also show that out of the 13 million people, 67% was categorised as illiterate (UNICEF 2007) where literacy in this case according to the NSO (2008) is defined as the ability to read and write. Males were more literate at 69% compared to women at 59%. As will be shown in chapter 8, social cash transfers have the potential of addressing illiteracy by helping poor households with cash that enables their children to access education and health services.

Based on these levels of poverty, social protection has a critical role in addressing some of these challenges. In realist terms, this concerted policy effort, however requires a consideration of factors that have contributed to the current levels of poverty and vulnerability. According to the realist approach, this is particularly useful in order to address the root causes of poverty and not only symptoms.

4.3 The role of social protection in Malawi

Social protection has a very important role in reducing poverty in Malawi. It is part of the Malawi Growth and Development Strategy. Under this policy framework, social cash transfers are identified as one of the main interventions earmarked to help the poor and vulnerable households improve their well-being. According to the social protection policy (as at the time of writing), social protection was defined as constituting programs and actions that protect and promote the livelihoods and welfare of the poorest and most vulnerable (Working Group of the Social Protection Technical Committee 2007). This definition categorically excludes the poor who are in formal employment, therefore labour market interventions and social insurance programs are not included here.

According to the World Bank (2007), between 2003 and 2006, social protection, including emergency aid and disaster response absorbed a substantial amount of resources averaging US\$134 million per year which translated to 6.5 % of GDP, 15 % of the annual budget and about 34% of total development assistance. With such amount of resources, the World Bank further points out that we cannot undermine social protection as the policy overlaps with other policies such as social policy, economic policies, and disaster reduction and therefore can greatly contribute to poverty reduction if there is good coordination. It was against this background that the government of Malawi found it necessary to bring together all the various resource envelopes and actors into a harmonized approach to providing social protection.

Social protection as a poverty reduction tool has been used in Malawi since independence in 1964, although various terms may have been used. Some of the social protection initiatives that the government has implemented include input and output price controls, universal agricultural input subsidies, farmer clubs and credit facilities, targeted nutrition programs, public works programs, targeted input subsidies programs and integrated livelihoods support (World Bank 2007). Each type of these interventions emphasised a particular policy direction. Thus, in principle, the current social protection policy as a strategic contributor towards poverty reduction is just building on the previous poverty reduction initiatives.

Slater and Tsoka (2007) in Chisinga (2007) observe that in addition to social protection, there have been some efforts to tackle poverty and vulnerability such as the Poverty Alleviation Program (PAP-1995), Vision 2020, Malawi Poverty

Reduction Strategy (MPRS), One Village One Product (OVOP) and now the Malawi Growth and Development Strategy (MGDS). However, despite these efforts, poverty and vulnerability have been on the increase and has been compounded by high levels of HIV/AIDS and other social-economic risks (World Bank 2007). In fact, because of these factors, there has been this need for a coordinated institutional arrangement.

As of 2006, the Malawi Government recognised that individually, the available scope of social protection interventions was not adequate to deal with the level of poverty and vulnerability at that time. Therefore, there was need to coordinate the various social protection activities (Malawi Government 2006). Thus, the current social protection policy was developed so that stakeholders can be better coordinated and harmonise their policy positions on social protection.

In addition, the social protection policy also empowers local government as the implementing agency by defining the role of district assemblies and NGOs (World Bank 2007). This policy direction is also in line with what stakeholders in Lusaka agreed that with deeper understanding of social protection, the focus should be to move from emergency responses meant to provide social assistance to long-term developmental social protection that seeks to enable or smooth consumption at the same time protect and promote livelihoods (HelpAge International 2006).

The other factor which influenced the adoption of social protection policy has been the need for multi-sector linkages. As social protection policy is cross-cutting and multi-sector in nature, it requires inputs and coordination from different line ministries. This enables the determination of appropriate instruments to deal with

the various poverty and vulnerability profiles, what funding levels would be affordable, what trade-offs are involved between investment in social protection versus investments in other related sectors (Malawi Government 2006). Therefore, this policy is very critical to ensure that multi-sector linkages are taken care of.

The adoption of social protection is also based on the increasing realisation that Malawi is trapped in a vicious cycle of poverty, reflecting a deep seated and complex crisis (World Bank 2007). It is argued that to break out of this poverty cycle requires predictable resources, recognition of risks and potential shocks, and more conscious efforts in risk management. According to DFID (2006), predictable and regular funding would be required to deal with these levels of chronic poverty.

The changing institutional structures for social protection and the incorporation of a pillar on social protection within the Malawi Growth and Development Strategy (MGDS) shows that the Government of Malawi is committed in adopting social protection as one way of helping poor people. This has even encouraged donors such that they are committing considerable funding to social protection.

A parallel policy discussion by the World Bank (2007) links social protection to Poverty Alleviation Program (PAP) as the program included the provision of safety nets, which aimed at addressing the social dimensions of structural adjustment programs. PAP expanded to the establishment of the National Safety Nets Strategy (2000) and finally the National Safety Nets Program (2002) which later was linked to the Malawi Poverty Reduction Strategy (2002). MPRS had four pillars, social protection being one of them. The latest stage emerged in 2006, with the provision of

social protection as one of the five themes in the Malawi Growth and Development Strategy (MGDS).

In summary Slater and Tsoka (2007) quoted in Chinsinga (2007) distinguish four distinct stages in the evolution of social protection initiatives leading to the current efforts to the development of a social protection policy framework summarized in Table 8.

Table 8: Summary of social protection programs in Malawi

Period	Types	Policy environment
1964-1981	Input and output price controls Universal inputs subsidy Farmer clubs and credit facilities	These were formal interventions but market based interventions
1981-1990	Input and output price decontrols Phasing universal subsidies Targeted nutrition programs	SAPs under stabilization forced government to dismantle the social protection system without replacements
1990-1994	Interventions under SDA Targeted nutrition programs	Inspired by adjustment with a human face calls
1994-2006	MSMEs credit schemes Public works programs Input transfers (SP/TIP) Targeted input subsidies programs integrated livelihoods support	Dominated by government initiatives despite the mushrooming of NGOs offering social protection interventions Most interventions were in the spirit of safety nets focusing on vulnerability and transient poverty

Source: Chinsinga (2007)

From 2006, the Government of Malawi started to put in place a social protection policy in order to deal with the current levels of poverty and vulnerability. It is expected that this social protection policy framework will ensure the coordination of

the many actors involved in the provision of social protection and at the same time provide coherent monitoring and evaluation framework. These developments show that Malawi is moving away from safety nets programming to long-term predictable social protection programming (World Bank 2007).

However, despite these developments, there are some challenges that the government has to deal with. Some of these challenges are outlined below.

4.3.1 Institutional and policy environment

The institutional and policy environment for supporting social protection is still fragile but slowly, the government of Malawi is strengthening this constituency in order to effectively respond to poverty and vulnerability. DFID points out that while social transfers have been implemented in very fragile environments like in post-conflict countries, a strong institutional and policy environment is very critical for effective delivery of social protection (DFID 2005). DFID continues to point out that it is important that social transfers should be integrated within a strategic social protection framework which is then incorporated into the national poverty reduction strategy (PRS) and the appropriate mechanisms of government co-ordination, in particular with other sectors, also need to be established.

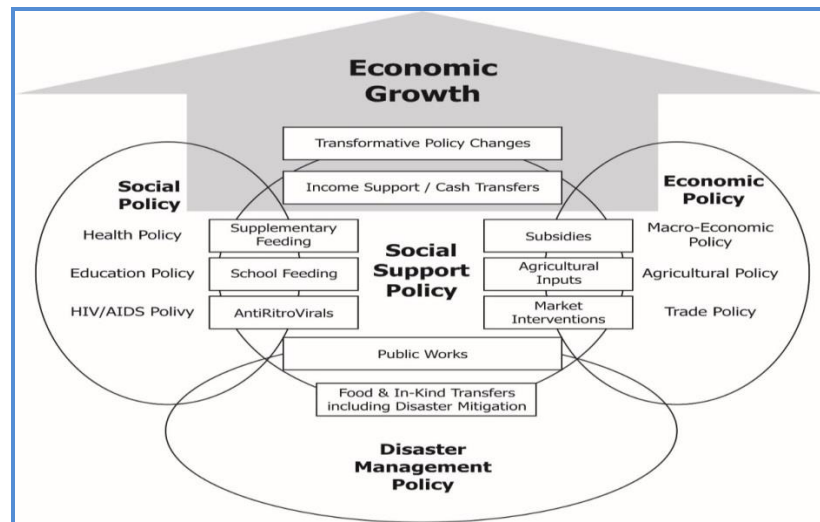
In Malawi, as already indicated above, social protection has followed the policy direction of the government in power such that policy emphasis has always shifted depending on the priorities of the government of the day. Since independence (1964), the government of Malawi has employed various development policies aimed at developing the country. However, there was no policy framework

specifically to deal with social protection issues until 2006 when the government started to put in place a social protection policy framework.

At the time of this report, ministries/departments still continue to implement social protection programs depending on a particular need although there are overlaps between the social protection policy and other policies and the general development framework. Under the current social protection policy, the government of Malawi intends to bring the implementation of the various interventions under one policy and also coordinate the activities of other organisations aimed at addressing the various needs of the poor (Malawi Government 2006).

One of the programs the government is supporting under this set-up is a national social cash transfer scheme that targets 10% of the ultra-poor (22% of the poor) who are also labour constrained households. The guiding strategy is the MGDS II. In this strategy, social protection is considered as an important theme for reducing poverty and vulnerability. Thus, the adoption of social protection policy appears to be the right direction because it underscores the idea that relying on growth prospects alone is not sufficient to eradicate poverty. Thus, social protection policy is meant to support other sectors as shown Figure 3.

Figure 3: Malawi social protection policy environment



Source: Malawi Government (2010)

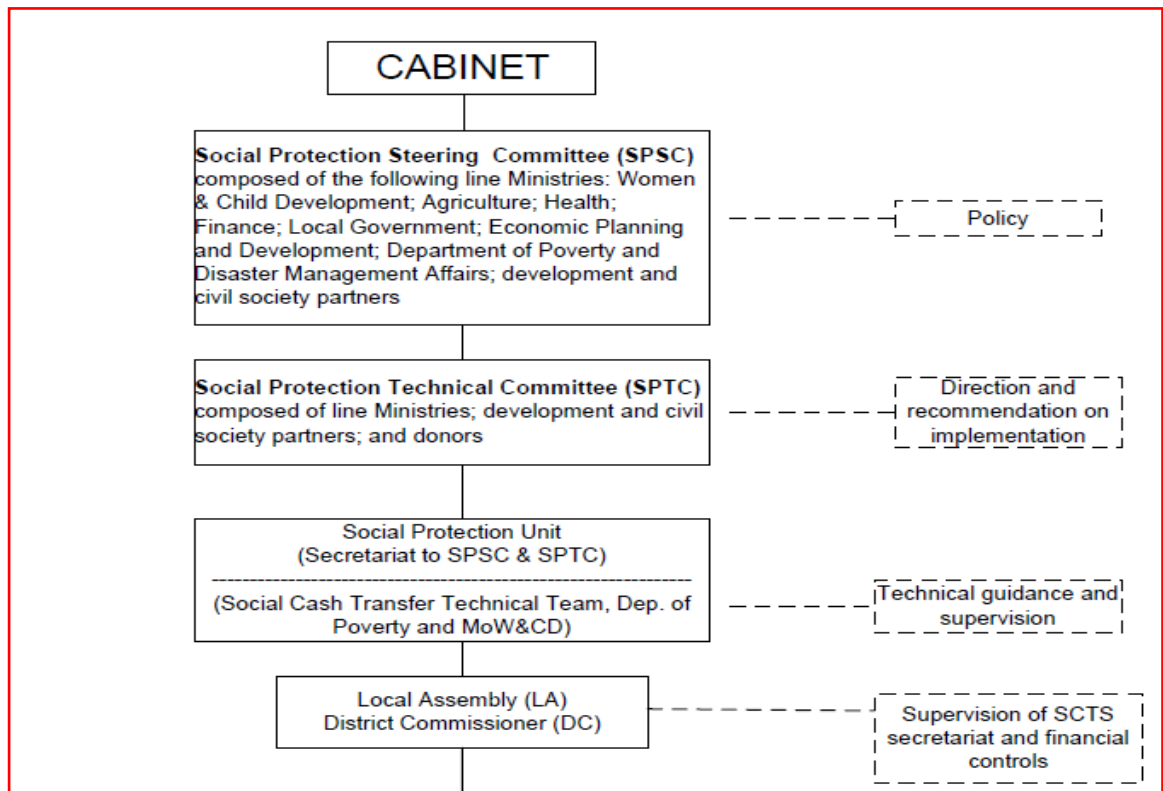
Figure 3 shows the policy environment through which social protection is being implemented. As can be seen from Figure 3, social protection policy interacts with social policy (health, education, HIV/aids), economic policy (macro, trade and agriculture) and disaster management policy. This arrangement appears to be very strategic as social protection only focuses on some aspects of poverty and therefore needs to be integrated into the larger policy domain.

The main interventions proposed under social support policy include supplementary feeding, school feeding, Anti-retroviral drugs, subsidies, agricultural inputs, market interventions, food & in-kind transfers and disaster mitigation (Malawi Government, 2010). The idea is that social support policy needs to cover the various categories of the poor and vulnerable households through the various interventions. As of 2015, no specific total cost for social protection as a policy package was available.

Through decentralisation administration set-up, local government is the central agency through which social protection is being implemented at district level. According to the decentralisation policy, district assemblies have the responsibility of undertaking and coordinating all development activities. In this arrangement, development agencies can channel their development support through the district assemblies or implement their programs in coordination with the district assemblies (Cross and Kutengule 2001). Therefore, it is argued that there is no need to establish parallel structures to the existing local government structures at district level which are deemed adequate to support development activities. This arrangement makes sense when we consider the available resources for social support policy to be implemented independently.

According to the Social Support Policy, social protection is administered through the office of the President and Cabinet (OPC). The setup consists of the Social Protection Steering Committee (SPSC) at national level comprising Principal Secretaries (PS) from key line ministries and representatives of key development partners such as the World Bank, DFID and UNICEF. This Committee is presided over by the PS from OPC. The main function of this body is to provide oversight and guidance to the development, implementation, coordination and monitoring of SP interventions. Figure 4 shows the current institutional framework (Malawi Government 2010).

Figure 4: Malawi social protection institutional framework



Source: Malawi Government (2010)

The SPSC is supported by a technical committee which is responsible for the policy development, direction, and coordination and monitoring of SP interventions. The members of this committee comprise technical staff from government line ministries, development partners, UNICEF and WFP as well as from civil society and the private sector. There is a specific unit, the Social Cash Transfer Technical Team with the main function of providing technical support, guidance and monitoring of the Social Cash Transfer Scheme.

Government line Ministries, led by the Department of Poverty and Disaster Preparedness (DPDM) together with key development partners and civil society formed the core partnership in developing the Social Support Policy and Framework.

In addition to these committees, there is a Social Protection Unit, hosted in the Department of Poverty and Disaster Management Affairs.

As can be noted from the discussion, the current institutional implementation arrangement at national level is based on committees. With this arrangement, questions of efficiency come into play. There are too many stakeholders which may be a risk factor compared to if one entity was entrusted with the responsibility. There is a need to review some of these arrangements otherwise the social support policy efforts could be rendered ineffective.

In addition to the above observation, institutional capacity of local government is also an issue under debate regarding the delivery of social protection services. According to Cross and Kutengule (2001:16), capacity “ does not only refer to the managerial and technical skills of District Assembly members, but also their attitudes and expectations, the formal and informal levels of authority which they may acquire, and the level and type of resources they may be able to deploy in fulfilling their functions of promoting people-centered development”. In fact, Kutengule also points out that institutional capacity is one of the challenges for implementing social protection in Malawi.

4.3.2 Funding and financing arrangements

As with any other policy, social protection requires financial resources in order to be implemented. The current situation in Malawi is that funding for social protection is still a challenge. According to the Social Support Policy, social protection is funded from the national budget with the support of development partners and the private

sector. Key programs which are categorised under social protection are farm input subsidy, public works and cash transfers.

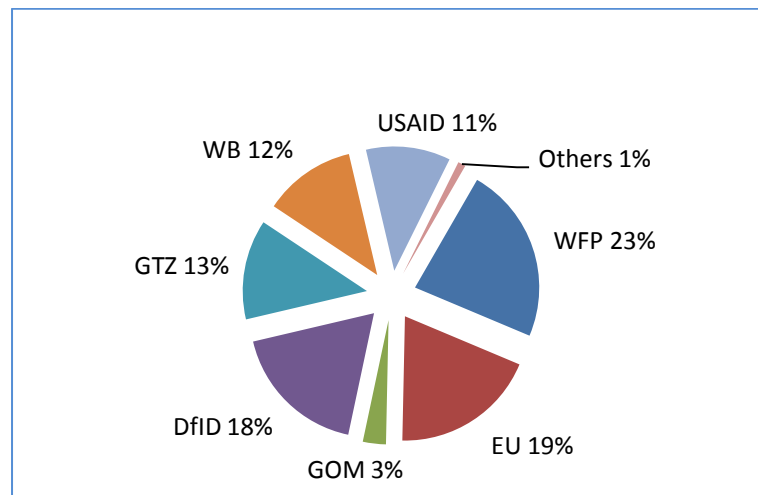
While the government of Malawi is committed to social protection, the priority area has been on food security through the Farm Inputs Subsidy Program (FISP). According to the 2011/2012 budget report, the government allocated a budget of MK17.4 billion for FISP which was 6% of the budget. NGOs and other development partners (international community) come in by topping up the budget.

In the case of the subsidy program, it used to be 30% from donors for logistics, while for public works, donors contributed 50%. These contributions meant that in 2008, Malawi spent US\$68 million on public works while US\$3 million cash transfers. Out of the US\$3 million, donors contributed over 90% of the program cost. NGOs are also providing technical support through district councils, trainings and provision of some supplies like computers. NOVOC (Network of Organizations working for Orphans and Vulnerable Children) is providing this technical support in Chitipa and Mangochi⁴. As can be seen from these figures, funding of social protection is still a challenge that the Malawi government has to deal with.

Figure 5 shows the funding levels as of 2007 from the various actors and as can be seen, social protection was mostly donor funded with only 3% contribution from the government.

⁴ These information was provided by Mr Reagan Kaluluma who was the National Coordinator of the Malawi Social Cash Transfer Scheme

Figure 5: Breakdown of social protection costs by financiers as of 2007.



Source: World Bank (2007)

4.3.3 The Malawi Social Cash Transfer Scheme

As already mentioned elsewhere, Malawi has implemented various social protection interventions since 1964. Some of the interventions that have been implemented in Malawi either by the government or other stakeholders include Direct Welfare Transfers, Targeted Inputs Program, Food for Work, Public Works Program, Disaster Management and Preparedness, Targeted Nutrition Programs and the Fertilizer Input Subsidy Program (FISP) (World Bank 2007)

Out of these categories of social protection, direct welfare transfers and public works programs involve cash as a mode of transfer. This section briefly describes the Malawi Social Cash Transfer Scheme in order to have an idea of how it operates within the current set-up.

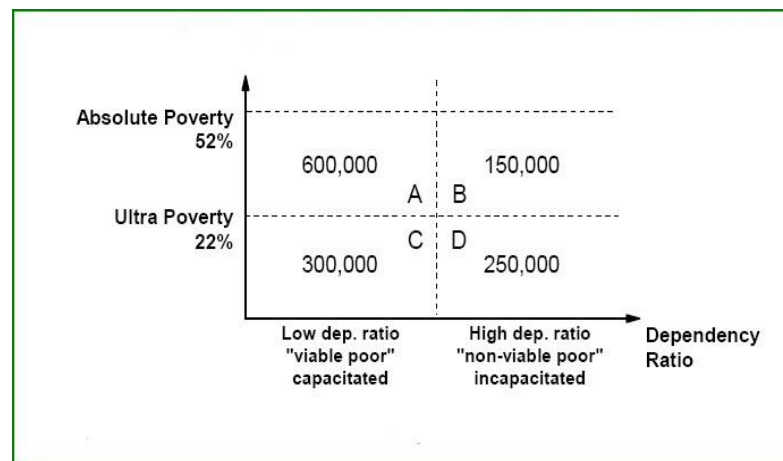
In 2006, the Malawi government introduced the Malawi Social Cash Transfer Scheme. This scheme differs from other social protection measures because it targets the absolute poor and labour constrained. This is a very positive development for a

nation that is characterised by high levels of poverty and vulnerability as discussed in section 4.2.

The background of the Malawi Social Cash Transfer Scheme is based on the results of the Integrated Household Survey of 2005 which showed that 10% of the poor in Malawi were ultra-poor, labour constrained and that they did not benefit much from most of the available social protection interventions (UNICEF 2007; Schubert and Huijbregts 2006). Therefore this scheme aims at addressing the needs of this group.

This category of the poor cannot benefit effectively from labour intensive activities because, in addition to being poor, they are also labour constrained. It is observed that the poor with labour are able to benefit from other schemes such as Income Generating Public Works Programs (IGPWP), Cash for Work, Food for Work or Asset for Work programs.

Figure 6: Categories of the poor in Malawi



Source: Schubert and Huijbredgts (2006)

Although the aim of offering a variety of interventions is to address the needs of the various categories of the poor as enshrined in MGDS, the absolute poor were still

being neglected. Figure 6 shows the various categories of the poor while Table 9 shows an indication of appropriate interventions to address their needs. In addition to the realisation that the needs of ultra-poor people were not being addressed, the Livingstone Call for Action Conference which was held in Zambia in 2006 supported the development of this scheme. Having identified the various categories of the poor, an inventory of how their needs could be addressed was undertaken and is presented in Table 9.

Table 9: Main categories of the poor in Malawi as of 2006

Category of the Poor	Number of Households	Needs	Social Intervention	Support
Moderately Poor	600,000	Employment, Skill building, Capital, Productive assets, Protection from capital/asset erosion	Agricultural input subsidies Insurance programs Village savings loans Micro-credit/microfinance	
Ultra-poor with labour	300,000	Survival, Productive assets, Employment	Public works programs School feeding Cash and food for assets combined with skills building Cash for consumption (combined with adult literacy training)	
Ultra-poor and Incapacitated	250,000	Survival, Investment in human capital	Social cash transfers, School feeding	

Source: Malawi Government (2006)

Table 9 shows that the ultra-poor and incapacitated happened to be the category with the highest dependency ratio, mostly due to caring for orphans. This is the category of the poor that social cash transfers aim to reach out.

The scheme started in 2006 at a very low level under the theme of supporting orphans and vulnerable children (OVC) by targeting households that supported

orphans. To date, the focus has changed because the scheme also targets the ultra-poor and labour constrained based on some studies which have shown that by default, these households have the highest dependency ratio mainly composed of orphans and vulnerable children. Therefore, targeting these households means that the scheme is also reaching out to orphans and vulnerable children. However, this may not be the case in some instances where orphans and vulnerable children are also found in the other categories of the poor. Nonetheless, the argument is that the other categories of the poor have other schemes to benefit from.

According to the implementation manual, the target group lies in the lowest quintile. This group belongs to 22% ultra-poor, living on less than US\$0.20 per day (Malawi Government 2006). One of the advantages of this approach of transferring cash on a regular basis is that cash transfers become part of their income stream and therefore they can effectively be integrated into their livelihood strategies (DFID 2005).

The Malawi Social Cash Transfer Scheme was first implemented as a pilot project in Mchinji from April to September 2006. To date, the project is on full implementation capacity but still scaling up to other districts. Funding was from the Global Fund for Tuberculosis, Malaria and HIV. Key donors included USAID, DFID, CIDA, NORAD and the World Bank while UNICEF provided technical support.

The main objectives of the scheme are:

- To reduce poverty, hunger and starvation in all households in the impact area which are ultra-poor and at the same time labour constrained.
- To increase school enrolment and attendance of children living in target group households
- To generate information on the feasibility, costs and benefits and on the positive and negative impact of a Social Cash Transfer Scheme as a component of a Social protection Program in Malawi (Schubert 2008).

This thesis contributes to the evaluation of these objectives by looking at the extent to which the objectives have been fulfilled. As can be seen from above, the first objective aims at addressing poverty, hunger and starvation. While poverty relates to a general deprivation leading to households unable to meet their basic needs (World Bank 2007), hunger and starvation relates to food security which is a major challenge facing Malawi. Food security has always remained a priority on the Malawi's policy agenda. For the last five years Malawi has implemented a number of agricultural related subsidy programs such as the Starter Pack Program and the fertilizer subsidy program to deal with hunger. For example, Farm Input Subsidy Program was pegged at 6% of the 2010/2011 national budget. In Malawi, food security has been a priority by the government as many households across the country harvest food that last three months only and then stay in the remaining period of the season without food nine months (Chirwa et al. 2001). This means that the current social cash transfer is meant to contribute to the other interventions being implemented by the government. As will be shown in chapter 8, in which I look at some of the impacts of the scheme, households tend to spend most their income on food.

Lastly, the scheme also aims at contributing to encouraging children to attend school which is an investment in human capital. As already discussed in chapter 4, social protection is meant to interact with social policy through education and health. Figures from Machinga for example, where the scheme is being implemented, show that in 2009 only about 5% of boys and girls completed basic education by the recommended age of 13 years (Mlaka 2009). The findings of this study show that indeed, social cash transfers can go far in supporting children access education.

The social cash transfer component is mainly donor funded while the government provides the human resources through local government for implementation. Although the Malawi Social Cash Transfer Scheme still relies on donor support, the government of Malawi can still use the opportunity that has been availed by the international community in order to consolidate social protection policy. For example the Commission for Africa recommended that donors should commit to long-term, predictable funding of these strategies, with US\$2 billion a year immediately, which was expected to rising to US\$5-6 billion a year by 2015 mostly to be in the form of cash transfers (DFID 2005). DFID further points out that this is good news because organizations like the World Bank have put their support for this policy direction.

According to the World Bank's assessment in 2006, cash transfers alone would have cost around US\$40 million to cover the poorest 10% which represents about 2% of GDP, 4.5% of the annual budget and 10% of total development assistance (World Bank 2007). It is estimated that the current total national social protection contribution from all stakeholders in Malawi is estimated to be in the region of US\$150 million per year which is 8 % of the 2010/2011 national budget and 3% of GDP⁵.

Nationally, scaling up of the cash transfers to all 27 districts was expected by 2013 with an estimated total funding of US\$52 million based on the assumption that transfers cost US\$14 per household per month (US\$ 168 per year) and US\$32 per

⁵ This data was provided through personal communication from Mr Reagan Kaluluma who was the National Coordinator for the Malawi Social cash transfer scheme

household per year in administrative costs (Schubert 2008). The US\$52 million budget would represent 3% of the 2009/ 2010 national budget and 1% of GDP. It is interesting to note that these estimates show that the social cash transfer component alone would be in the regions of up 2% of GDP and 4.5% of the budget, on average.

Initially, the social cash transfer component was funded from the Global Funds for Tuberculosis, Malaria and HIV/AIDs. However, scaling up objectives was not achieved as of 2013. The scheme has already suffered from inconsistent cash flows since 2006 to the extent that transferring cash has been suspended several times since it started. In one of the regular reports (Schubert 2008), it is argued that these transfers are sufficient to close the poverty gap, claiming that if the scheme is scaled up to 250,000 households, it will reduce the ultra-poverty rate of 22% to 12% at a cost of only 1% of GDP. However, considering the financial, institutional and capacity constraints as noted above, the realisation of scaling up to full capacity may not be realised in the next couple of years. It is also observed that scaling up requires an initial investment in the infrastructure for the district assemblies of US\$100,000 (ibid). However, building capacity for district assemblies is a slow process because of logistical challenges. One of the main challenges is the frequent transfers, or death of staff (Makonokaya 2008).

Another challenge regarding resources is that transfer rates are quantitatively low, averaging US\$14 per month per household. The average household size under this study is 5.3. To what extent can these transfers uplift the absolute poor out of poverty? According to UNICEF (2007), these transfer rates are related to the poverty

line and are meant to fill up the income and consumption deficits of absolute poor households. These are some of the questions that this thesis aims to investigate.

4.4 Conclusions

The main objective of this chapter was to examine how social protection policy aims to contribute to poverty reduction in Malawi. It has been observed that social protection aims to contribute to poverty and vulnerability by creating a unified social protection policy environment that recognises the needs of the various categories of the poor and then supporting them directly through various interventions.

As already stated, social protection in Malawi is not new but the current shift towards the formulation of a social support policy is what is of significance. As the policy is meant to overlap with other policies such as social, economic agricultural policies, this interaction can provide the much needed synergy for an effective poverty reduction impact. In addition, the current shift towards a policy oriented social protection means re-defining social protection and the relevant institutional arrangements in order to respond to the current levels of poverty and vulnerability.

The main thrust of the social protection policy lies on the recognition that in the past, social protection has been uncoordinated resulting into a haphazard manner for protecting the poor and vulnerable groups. With this approach, it meant that other categories of the poor were not effectively covered. With a unified policy environment, the policy has also attempted to line up some social protection initiatives which the government would like to implement covering all the four main categories of the poor as identified in the 2005 Integrated Household Survey.

The current social protection policy is also building up from some of the success stories from the various interventions that have been implemented in Malawi. By creating a coordinated institutional arrangement through multi-sector linkages, it is hoped that this will boost social protection's contribution to poverty reduction as the current scope of social protection interventions is not adequate to deal with the current levels of poverty and vulnerability. This coordination will also help to harmonise stakeholder's policy positions on social protection.

As was seen in the discussion, social protection policy is cross-cutting and multi-sector in nature requiring inputs and coordination from different line ministries, this means that the focus should indeed be to move from emergency responses meant to provide social assistance only to long-term developmental social protection that seeks to smooth consumption at the same time protect and promote livelihoods. If the notion of long-term developmental social protection can be achieved, it would entail the prospect of breaking a vicious cycle of poverty in Malawi. As it has been argued by many commentators that breaking out of poverty cycles require predictable resources, recognition of risks and potential shocks, and more conscious efforts in risk management.

However, while the policy provides a unified policy environment, the implementation is not without challenges. The amount of resources to implement social protection that covers the various categories of the poor is overwhelmingly huge. As already pointed out in the discussion, that for example cash transfers alone to cover the poorest 10% would cost around US\$40 million representing about 2% of GDP, 4.5% of the annual budget and 10 % of total development assistance.

While for total social protection would be in the region of US\$150 million. This means that there is more work yet to be done.

While accepting that social protection is meant to support other policies, it is also important to pay attention to the value of transfer rates which are quantitatively low, averaging US\$14 per month per household. In addition, implementing social protection through district assembly requires building capacity in the various areas such as infrastructure and human resources. This implies more resources and allowing for time for building capacity. This also demands a very strong monitoring and evaluation framework.

Chapter 5: The Machinga District Social Cash Transfer Scheme

5.1 Introduction

The Machinga District Social Cash Transfer Scheme is part of the Malawi Social Cash Transfer Scheme operating at district level. It shares the same objectives as the Malawi Social Cash Transfer Scheme discussed in chapter 4. The scheme started in September 2007 in Machinga but recipients in the study area (TA Mlomba) were registered in March 2008. However, due to funding challenges, the scheme stopped transfers in December 2008 and resumed in January 2010 just soon after completing my data collection exercise in December 2009. As of 2015, 12 out of the 14 or 86% of the traditional authorities had been covered.

Although the scheme is part of the national program, its success depends on district level specific variables. Therefore, in this chapter, I discuss the relevance of the scheme to the development and other poverty reduction initiatives for the district. I also discuss the importance of this policy intervention for reducing poverty and vulnerability at district level. The main variables that I consider are: the scheme's objectives, location, coverage, costs and administration, targeting of recipients, partnerships, strengths, weaknesses, opportunities and threats (SWOT) of the scheme.

5.2 About Machinga district

This section briefly describes the Machinga district which is one of the district where the scheme is being implemented. The Scheme is implemented by Machinga District Assembly. Machinga district is in the south eastern part of Malawi. It is surrounded

by lakes Chirwa, Chiuta and Malombe. Machinga borders with Mangochi district to the north, Zomba in the south, Balaka to the west and Mozambique to the east. In relation to Blantyre, it is approximately 150km away. Figure 7 shows the study location.

Figure 7: Map of location of the study location.



Source: Google maps (2016)

As of 2008, the population of the district was 488,996 with an annual growth rate of 2.9 % according to the population and housing census of 2008. With a total area estimated at 3,771 square Kilometres, the population density comes to 130 persons per square km, not very different from the national population density of 139 persons per square kilometre. Taking into account that 22% were considered as absolute poor, this means that over 100,000 people were in this category and out of these (10%), about 50,000 would be eligible to be covered by the scheme.

50% of the population of Machinga district is Yao and is the main ethnic group. Lomwes make up 40% while other tribes include the Nyanja and Ngoni accounting for about 6% and 4% respectively (NSO 2008). In terms of religion, Machinga is

predominately Muslim (63%) of the population, Christians take up 35% while about 2% belong to other traditional beliefs.

The main economic activities of Machinga district and the study locations include commercial and subsistence agriculture, fishing and small scale businesses. The agriculture sector comprises estates and small holder farming. Tobacco is grown on commercial basis while maize is the major food crop. Rice and pigeon peas are also grown at subsistence level. Other crops that have an economic potential include tomato, cassava and vegetables. According to the Machinga District Development Plan, Maching has a viable economic potential from the available natural resource base (Todd 2002)

5.3 Relevance of the scheme to the district poverty reduction initiatives

The following sections discuss the various aspects of the scheme that makes it relevant to the development initiatives of the district.

5.3.1 Objectives of the scheme

The objectives of the scheme show that it is relevant to the district because they are in line with the objectives of the district development plan. From the Machinga district development plan, social cash transfers are one of the interventions that have been earmarked for addressing food security issues and also increasing incomes of the poorest households. This arrangement is in line with the general recommendation that social protection interventions should be integrated with other development and economic sectors (DFID 2005; HelpAge International 2006). This means that while the scheme aims at increasing incomes of the poor, the benefits also go beyond

addressing food security issues to include education and the general living standards of the poor (discussed in chapter 7).

The implementation process is also in line with decentralisation policy that aims at involving the community. For instance, identification of recipients is a multi-stage community-based targeting process, discussed in chapter seven. Chapter seven examines the targeting experience of involving the community. Chapter seven is mainly looking at as to how community-based targeting is used in identifying eligible households in accordance with the stipulated targeting criteria.

The activities under this scheme are divided between the district assembly and the Community Social Protection Committee (CSPC). There are three additional committees that have been specifically introduced for the implementation of the social cash transfer scheme. Community committees are a common feature of development initiatives under the decentralized development and administration in Malawi much as in other developing countries. For example, committees have been used on Food for Work Programs and in various cash transfer programs such as Foster Care Grants, Social Relief of Distress Award, and Disability Grants Program (De Janvry et al. 2006). Thus, the idea of having a community social protection committee ensures that the interests of the community at large are represented in the scheme.

According to the implementation manual, before a Village Group can be part of the scheme, the Village Development Committee (VDC) organizes the election of a CSPC. The VDC is the official local government committee responsible for

development at community level. To facilitate this, a member of the Social Cash Transfer Secretariat (SCTS) has to organize a meeting with the VDC. In order to make the proceedings of this meeting public and transparent the whole community participates in a meeting to elect the CSPC. The purpose of this meeting is to inform the VDC and the community about the scheme (objectives, target group, targeting criteria, and the targeting, and approval process) and to ask the VDC to provide the number of villages in the Village Group and households in each village. In Malawi, most development issues take place at community meetings because they legitimize and enhance participation of the community members.

The committee is composed of 12 members, four from each zone, elected by the community members of each respective zone. The members are literate in order to be able to read the manual (in Chichewa) and to fill in application forms. Once the CSPC is in place, they receive copies of the manual of operations in English and Chichewa and then inform them about the next steps, the schedule of the targeting and approval process.

During the research, it was observed that the CSPC plays a very important role at community level. They have established a strong rapport with the recipients; after all they were elected by the community as those who have some knowledge about the community. The relationship they have established enables the recipients to have trust in them as such they are able to discuss or ask questions related to the scheme where necessary.

The CSPC monitors changes in beneficiary households and impact of the scheme. However, at the time of the research, CSPC did not have records of the detailed impact of the scheme on the recipients. The CSPC did not have detailed information about who and how many own livestock such as chicken and goats, who and how many have built houses, what assets people own now compared to before. However, monitoring of these outcomes is very critical for evaluation purposes.

5.3.2 Location and coverage of the scheme

In addition to the objectives being in tandem with the district development plan, the scheme has also been designed to cover the whole district, targeting the poorest 10%. To date coverage is at 86% of the district. According to the implementation guidelines, coverage is considered at two levels. The first level relates to the group of the poor to target. In this case, it is the lower 10% of absolute poor for the district. The second level of coverage refers to the geographical or administrative locations of the target group. The category of the poor determines which administrative areas or villages to cover. As of 2015, 12 out of the 14 traditional authorities were covered. The scaling up exercise is taking place in stages. Scaling up is dependent upon the availability of financial resources and the capacity of the district assembly to manage the work load as the scheme scales up.

Unfortunately, the district development plan of 2010, observes that the district assembly lacks adequate capacity to effectively deliver its services. According to this plan, some of the major institutional capacity constraints include low levels of education of staff, inadequate coordination between ministries at district level,

inadequate financial resources, inadequate coordination among stakeholders and inadequate and poor infrastructure. This problem is being partially addressed by the capacity building component of the social cash transfer scheme.

As the scheme is meant to cover all the administrative areas of the district by targeting the poorest 10%, this helps to provide an even distribution of resources in the district while supporting other development initiatives. However, the impact varies depending on individual circumstances such as the initial assets owned (discussed in chapter 8) such that the movement on the poverty ladder is not a linear progression in relation to the ranking position on the register. In fact, the study shows that it is not a guarantee that because a household is ranked as better off then it will progress faster than the other households.

5.3.3 Development and administration context of the scheme

Another aspect that underscores the relevance of the scheme is its development and administration context as the scheme is implemented within the existing local government development and administration set-up with main functions divided between the district assembly and the community. This is a good set-up as it does not need additional institutional implementation arrangements and human resources.

However, the downside of it is that capacity at district level may be over-stretched as the workload increases at community level due to scaling up of the scheme. The district development plan has even singled out capacity constraints as one of the issues affecting the district assembly to effectively deliver its services. At the time of the study, it was not possible to examine the total work load demand as the scheme was still scaling up. This is an area that requires further examination to determine

how the assembly copes up with scheme as it scales up. The next sections explain in more detail about the functions of the various structures.

In Malawi, District Assemblies (DAs) under the ministry of local government are responsible for the district's development and administration activities. The DAs are also responsible for the implementation of various policies and development initiatives through the respective ministries represented at district level. According to the district development plan, the development plan is developed in line with national development policy priorities. The main national development goals, policies and strategies are highlighted in the vision 2020, MGDS and Social Investment Programs.

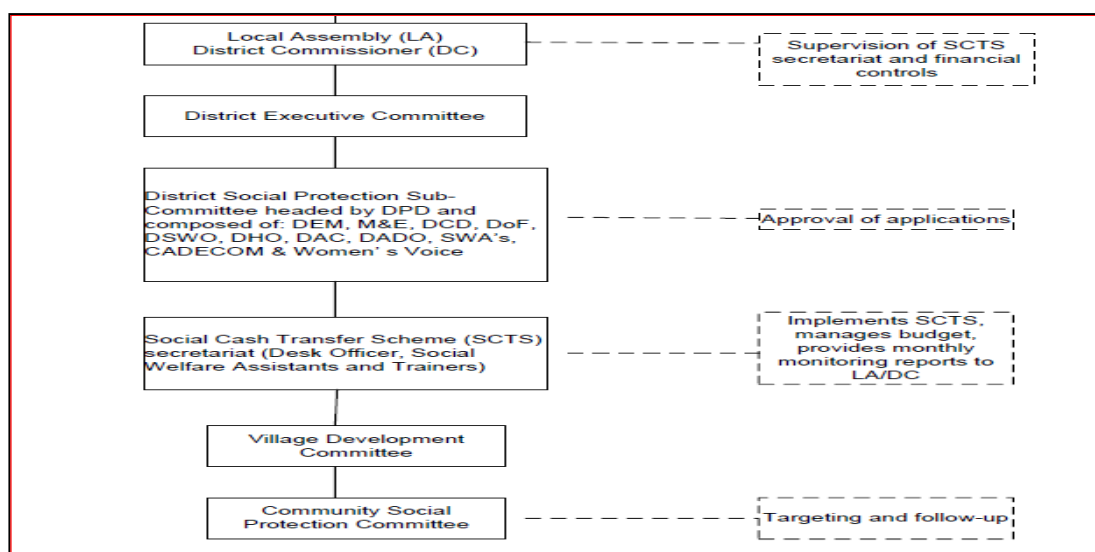
In the current decentralised system of government, development decision making process is meant to follow the bottom up approach where development ideas start at community level through VDCs with the support of government extension workers (Chinsinga 2008; Cross and Kuntengule 2001). Decentralization stems from participatory development approaches which were the overarching philosophies of the 1990s where the poor are given the priority to participate in issues that affect their lives.

Communities work in collaboration with extension workers who are government representatives at community level working under the Ministry of Community and Social Services. Extension workers are the link between the community and the government. They provide technical assistance to Village Development Committees

(VDCs) and Area Development Committees (ADCs) on community development matters.

Village Development Committees as the name suggests are community committees that deal with development issues at village level. VDCs channel development ideas consolidated as projects to the Area Development Committee (ADC). The ADC then forwards these project proposals to the DA through the District Executive Committee (DEC). At district level, all the development ideas (that are practically viable) from the communities are consolidated into what is called the District Development Plan (DDP). This then becomes the master plan for development initiatives for the district. The DDP details development initiatives from which the government, NGOs and the private sector can channel their development support. Figure 8 shows the institutional set-up of how the various committees link up together under the social cash transfer scheme at district level.

Figure 8: Malawi social protection institutional set-up for district assemblies



Source: Malawi Government (2010)

At district level, social protection is coordinated by the Social Protection Sub-Committee of DEC. The SPSC is composed of seven members from government and the civil society, headed by the Director of Planning and Development. The main task of the SPSC is the supervision of the SCTS Secretariat and the approval of applications. The SPSC also ensures that the scheme is coordinated with other social protection programs in the district as shown in Figure 9.

The SPSC gets support from the Social Cash Transfer Scheme (SCTS) Secretariat appointed by DEC. The main function of the Secretariat is to plan, implement, record, monitor, and report all activities required to establish community level committees and to train committees in the targeting process. The Secretariat also performs a number of tasks in the approval and delivery process. The Secretariat is also responsible for facilitating and monitoring all stakeholders at community and district level to implement the scheme in accordance with the guidelines and to take corrective action in case of any problems that may occur. In other words, the secretariat ensures that they implement scheme in a cost-effective, reliable, and timely way.

The Secretariat is composed of the District Social Welfare Officer and Social Welfare Assistants and a number of other Assembly and NGO officers who are trained as trainers and facilitators. The SCTS Secretariat maintains an elaborate list of all the Village Groups (VGs) in the area and for each village, the number of households.

At community level, the scheme falls under the existing community development structures. This is a good approach in as far as participatory development is concerned. Members of community development committees are not government employees because this is part of the participatory nature of community rural development in a decentralised setup.

At the top is the Area Development Committee (ADC) a representative body of all Village Development Committees. The ADC is under the leadership of the Traditional Authority (TA). Traditional authorities are administrative regions of the district. The ADC is the main link to the District Assembly. The ADC is charged with the responsibility of mobilizing community resources and development funds, supervises and monitors the implementation of projects in their respective areas. The ADC is chaired by an elected member and is composed of local politicians, members of parliament, group village headman, religious leaders and women and youth groups. The Area Executive Committee (AEC) is an equivalent of the DEC at district level and comprises representatives from various government ministries. The AEC is a technical advisory arm to the ADC. The AEC Chairperson is also the Secretary to the ADC.

In terms of the social cash transfers scheme at community level, there is a Community Social Protection Committee (CSPC) specifically to deal with social protection issues and the social cash transfers scheme in particular. The CSPC is an equivalent of a project committee. The CSPC is a sub-committee of the Village Development Committee (VDC). The CPSC gets assistance from government extension workers. The function of these extension workers is to check if the

targeting process has been fair and transparent and if the results are correct, and then approve the 10% poorest households. The 10% cut off point is based on the assumption that on the average, less than 10% of households are in absolute poverty.

As can be seen from the above, in relation to capacity and institutional set up, only three additional committees for support have been introduced: the social protection sub-committee to deal with all social protection issues at district level, the social cash transfer scheme secretariat to specifically deal with the cash transfer scheme and the CSPC at community level. Although it is called the community social protection committee, currently, it only deals with the social cash transfer scheme.

5.3.4 Costs of the scheme

On another note, the operational cost of the scheme is 10.3% of the total budget. This is within the acceptable range of many normal cash transfer schemes of 10-15% of the total budget. In cash transfer schemes, operational costs up to 15% is normal but above 15% is considered unsustainable (Chirwa et al. 2004). In the Machinga scheme, the low operational costs arise from the fact that some of the scheme's activities are being undertaken by the CSPC.

There are two levels at which these activities take place. Some costs are incurred at district level while others are at community level. The major cost of the scheme is the transfer component itself. In addition to the actual transfers, there are administration costs for delivering the transfers, implementing the cycle of targeting and approving additional recipients (scaling up), the cost of administering changes in

households benefitting from the scheme, and creating linkages, monitoring and other overhead costs. Table 10 shows details typical monthly costs of the scheme.

Table 10: Typical monthly costs of the Machinga Social Cash Transfer Scheme

	Type of expenditure	Planned figures (MK)	US\$ dollars	% based on US\$
1	Transfers to recipients	5,800,000	32,150	91%
Operating costs				
2	Delivering transfers	104,500	630	2%
3	Targeting and approval	73,700	450	1%
4	Incentives for CSPC	174,000	1,050	3%
5	Processing charges	56,650	350	1%
6	Creating linkages	0		0%
7	Monitoring	16,000	100	0.3%
8	Overhead costs	150,000	900	3%
Total operating costs		574,850	3,480	10.3%
Total expenditure		6,374,850	35,630	100%

Source : Luhanga (2008)

5.4 Beneficiary statistics

Monitoring and evaluation Beneficiary statistics also show that the project is achieving its objectives in terms of the number of households that have been reached. The figures from monitoring and evaluation also provide learning lessons for effective implementation and scaling up. This activity is very critical to the implementation of the scheme because in any project, it is argued that besides a good project design, the success of a project also depends on effective monitoring and evaluation.

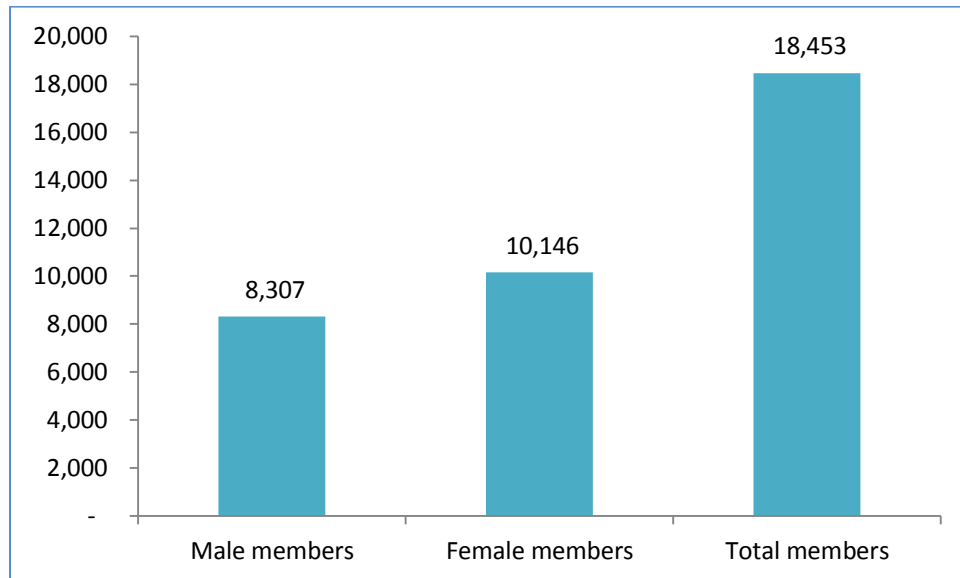
A number of monitoring reports reveal that the scheme is achieving its intended objectives within reasonable limits. For example, Miller's report of 2008 showed that as of 31st September 2008, 96% of the households were supported by primary records in the district (11,225 out of 11,692) and 94% of the households were within the criteria outlined in the operational manual. The report further states that while

these figures indicate that the system is adequate, there were, however some weaknesses with community monitoring level systems as evidenced by the failure to track changes in household structures and in some cases, CSPC conniving with recipients to use false names in order to continue benefitting from the scheme (Luhanga 2008).

However, monitoring changes in demographic characteristics of the recipients due to events such as deaths and transfers is a challenge. Approval of additional households is also another challenge due to the high levels of vulnerability. There are many households that are constantly falling into poverty e.g. due to death of a family member which is very common within this category of the poor.

Some important information is also collected through these regular monitoring activities. Some of the statistics for the project include the number of recipients, disaggregated into the number of households affected by HIV/Aids, the number of people living in the each household, total number of children in the household, the number of children attending school, the number of aged persons in the households and the number of persons with disabilities in the beneficiary households.

Figure 9 : Number of members in recipient's households in Machinga district as of 2008



Source: Makonokaya (2008)

According to Makonokaya (2008), as of December 2008 there were 43,038 households in the whole district of Machinga out of which 4,246 were households benefiting from the scheme. In these 4,246 households, there were 18,453 members; 8,307 were male and 10,146 were female. Out of the 4,246 households, 26% was male headed while 74% was female-headed households. 58% were elderly headed households. Out of this elderly group, 72% was female while 28 % was male headed households. These figures show that the majority of the recipients and the beneficiaries were women.

5.5 Partnership

In relation to partnership, the scheme aims at working with other organisations in order to create synergic linkages. Coheur et al. (2008) point out that social protection coverage can be extended through exploiting the complementarities between

statutory social protection and informal or community-based social protection schemes.

In their study, they identified five (5) areas:

- Financial links : such as tax subsidies, redistribution between statutory and community-based schemes, financial consolidation and joint pooling to broaden the risk pool
- Operational/administrative links: such as technical advice, exchanging information/good practice, information systems links, regulation and/or control
- Governance links: such as representation on boards or other institutional decision-making process.
- Links in health service provision: such as contracting links, and access to health service delivery networks/providers
- Policy planning links: such as joint participation in the design and implementation of national social protection strategies and in core policy design principles , and policy coherence (Coeur et al. 2008)

However, at the time of the research, there was little evidence to suggest that this was taking place. As of June 2008, the main sector partners identified for the scheme were health, agriculture, education, community development and local NGOs (Luhanga, 2008). It is recognised that partnership with other sectors such as agriculture, education and community development is very important for cash transfers to have an effective impact on poverty and vulnerability. This study found that although health services are free, most people live far from health centres and cash transfers can help them afford local forms of transport such as hiring of a bicycle and being able to access these facilities.

According to Luhanga (2008), there are limited linkages with these sectors. For example the education sector does not have a detailed monitoring system that can adequately check school enrolment linked to social cash transfers as reported in this excerpt.

“The education sector looks at cumulative figures only and does not have monitoring mechanism that is focussed on the cash transfer scheme. Although it is reported that some drop-outs have been re-enrolled because of the school bonus and that parents are encouraging their children to be in school, the education sector must enforce monitoring children in school including those from social cash transfer households in terms of attendance and performance but this has not been the case” (p.21).

The above sentiments show some of the areas that need re-enforcement for an effective impact on poverty.

5.6 Stakeholders of the scheme

In any project, stakeholder analysis is very important in order to identify the roles of the various stakeholders and how they benefit from the project. The main stakeholders of the Machinga social cash transfer scheme are the recipients. However, they play a minimal role in influencing the direction of the scheme. They are mainly involved in community meetings during the initial stages of the targeting process only. Targeting is dealt with in chapter 7. In addition to the recipients, there are traditional leaders who are mainly involved at targeting level and administration of conflicts or any other misunderstanding that may arise. Traditional leaders, especially chiefs, endorse the results of the targeting process. The CSPC is charged with the day-to-day administration of the scheme. Again their roles are detailed in chapter seven. Women are also a major constituency with a very high interest in the scheme. One explanation by the CSPC is that women are more likely to have caregiver role in a family set-up. If a husband dies or they have been divorced, women end up being responsible for taking care of the children, as such, it is found that during the targeting process they are always in the lowest 10% of the absolute poor.

5.7 Strengths , weaknesses, opportunities and threats of the scheme

In this section I examine the existing strength, weakness, opportunities and threats of the scheme. Strengths and weaknesses deal with internal capacity while the opportunities and threats look at factors in the external environment. Table 11 summarises the strengths, weaknesses, opportunities and threats for the scheme.

Table 11: SWOT analysis of the cash transfer scheme

Strengths	Weaknesses
<ul style="list-style-type: none">• Existing district and community development structures• Involvement of Traditional leaders• Basic education, health, agricultural, community development services and NGOs available• Local economy is vibrant	<ul style="list-style-type: none">• Inadequate social services• Monitoring is weak• Information management is weak• Limited sector linkages
Opportunities	Threats
<ul style="list-style-type: none">• Interest of development partners e.g. UNICEF• Availability of extension staff• An opportunity to address issues of intergenerational poverty and gender inequality.	<ul style="list-style-type: none">• Resource availability• HIV/AIDS• High poverty and vulnerability levels

Source: Author's summary

Table 11 shows that the scheme has the potential to contribute to the reduction of poverty in the district. Despite the weaknesses and threats, the strengths and opportunities mean that the scheme can be sustainable. The weaknesses are manageable. For example, it is possible to improve on information management, sector linkages and social service delivery. The availability of more resources can equally address the threat from HIV/AIDS, high poverty and vulnerability levels as will be discussed in chapter 8. The major challenge here is that, in addition to a large household size, the HIV/AIDS epidemic also affects many households (UNICEF

2007). This situation complicate efforts aimed at reducing poverty and vulnerability. Thus, regular flow of cash transfers can have a positive impact on the threats shown in the table. The district assembly can capitalise on the strengths and opportunities to have a long lasting poverty reduction impact. For example, implementing the scheme under the existing development structures curtails any additional parallel structures that can create conflicts in delivering the service.

5.8 Conclusion

This chapter has discussed the relevance of the Machinga District Social Cash Transfer Scheme to the development and poverty reduction agenda at both district and community level by looking at some of the program-related issues. Overall, the scheme is positioned strategically in relation to the development strategy and poverty needs of the district despite some challenges in terms of linkages and services support.

Firstly, since the scheme attempts to cover the whole district by targeting all the 10% of the absolute poor, this category of the population has something that they can cling to. Although the recipients are at various levels on the poverty ladder, the cash transfers have the potential to level out these differences and can be a source of social cohesions. The findings of the study shows that the recipients actually feel included in the society because of having the additional financial support.

In addition, since the scheme is implemented under the existing local government development and administration framework, it means that its activities can be easily integrated into the existing development structures without much additional human

resources and institutional re-arrangements. This arrangement can actually contribute to the sustainability of the scheme since some of the activities do not require external funding.

Furthermore, as the scheme is also part of the district development plan, it contributes to the overall development agenda at district and community level. Moreover, because it uses community-based development structures, administration demands are kept to a minimum. For instance, using community based targeting means that administration of the scheme is a shared responsibility between the district assembly and the community, therefore keeping administrative costs to a minimum. Such being the case, it implies that some of the workload is handled by the community. Therefore the implication is that it meets the recommendation that social protection interventions be integrated with main line development projects.

The scheme has a weak partnership and this is not ideal because social cash transfers alone are not adequate to deal with poverty. The district assembly should endeavour to build these partnerships in order to realise the potential cash transfers have in reducing poverty. Finally In fact, the SWOT analysis shows that the scheme has more opportunities than threats for contributing to the overall poverty and vulnerability. The largest threat however, is the resource availability as it depends on funding from development partners.

Chapter 6: Household demographic characteristics of recipients

6.1 Introduction

Having considered the Machinga Social Cash Transfer Scheme (the intervention) in the previous chapter, this chapter moves on to look at household demographic characteristics of the recipients. Household characteristics are proxies of poverty, vulnerability and well-being. These characteristics are very important because they provide policy makers with information that can be used in the design of appropriate interventions. The knowledge of household characteristics is also useful in the assessment of how social cash transfers can help them in dealing with poverty and vulnerability.

In this study, I use household characteristics as a basis for assessing whether community based targeting is identifying eligible households, discussed in chapter seven. The main household characteristics that I look at are the size, composition and structure of a household; assets the recipients own or have access to, livelihood strategies they engage in and gender-based risk factors.

Furthermore, the chapter also considers supporting policies and institutions and the vulnerability context (risks). As already pointed out in chapter 2, the ability to deal with risk is a function of the assets that the poor own, livelihood strategies and the supporting policy and institutional environment available to an individual. This analysis provides us with some idea about the scale of vulnerability of the recipients. In other words, the chapter attempts to gauge the level of capabilities of the recipients. Understanding the level of capabilities enables us to figure out how social cash

transfers can build on the existing capabilities. The chapter uses life-history data to trace transmission mechanisms of chronic and inter-generation poverty.

The data show that recipients in the study are characterised by a small asset base and narrow band of livelihood strategies. In addition, the recipients are also supported by a weak institutional and policy environment at community level. Thus, the recipients are very vulnerable to various social economic and gender based risks.

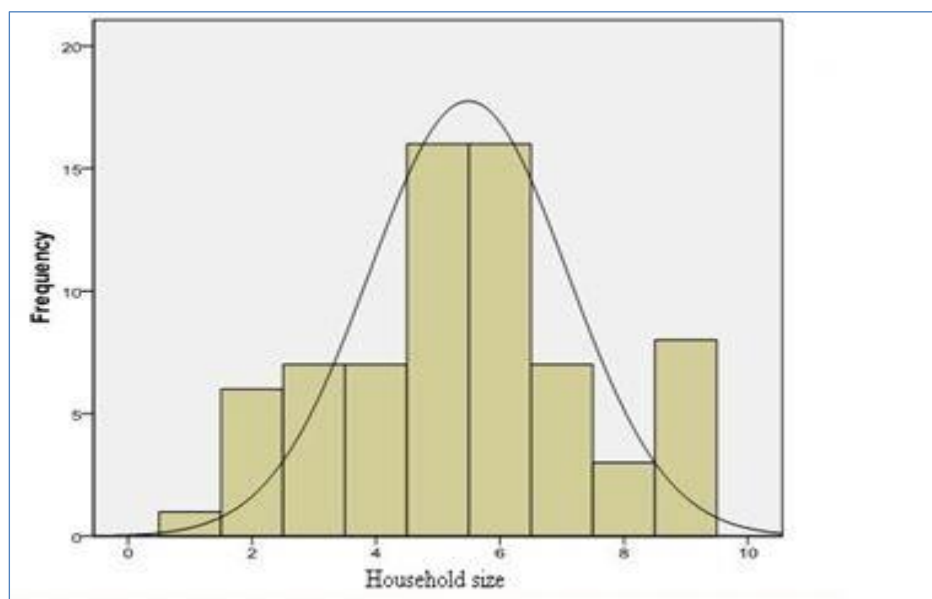
The chapter is organised as follows. The first section discusses demographic characteristics, followed by capital assets and livelihood strategies, then policy and institutional environment, gender-based risk factors and finally the conclusion.

6.2 Household demographic characteristics

A household as defined by the Malawi government is a group of people connected together by marriage, civil or any recognized way as required by law or through kinship. Household demographic characteristics describe the nature of the household in terms of its size, structure and composition (NSO 2008). Household demographic characteristics are important because they act as a proxy or as determinants of poverty and vulnerability. In fact, the targeting criteria used in Machinga Social Transfer Scheme are based on household demographic characteristics. As observed in the Poverty Vulnerability Assessment of 2006, household size is one of the major factors that contribute to household poverty in Malawi (Malawi Government 2006). According to the Housing Census Report of 2006, the average household size in the poorest decile group was more than twice as large as the average household size in the richest decile. The average household size in my study of 71 households is 5.39.

In comparison, in 2008, the average household size for Malawi was 4.6 and 4.4 for the southern region of Malawi where Machinga district is located (NSO 2008). In terms of the range, the household size ranges from 1 to 9 members per household as shown in Figure 10. This is a high household size and the implication is that this category of the poor is more likely to fail to meet basic needs such as regular meals, sending children to school and access to other social services.

Figure 10: Distribution of household sizes for the recipients



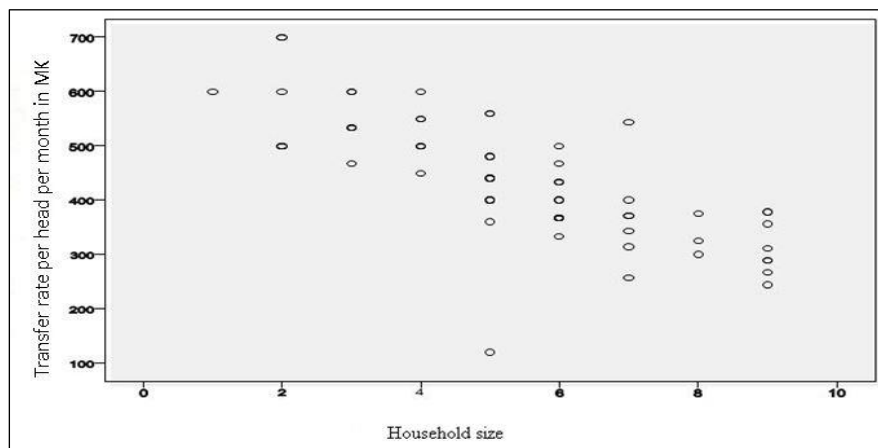
Source: From author's calculations

There are many factors that can affect a household size. A member of a household can die, emigrate or move out to start new life. As in the Machinga Social Cash Transfers Scheme, the most common causes of household size variations are frequent deaths, marriage and relocation from one area to another. For example, between March-June 2008, it was reported that there were 42 deaths of household heads in all the areas where the district assembly was implementing the scheme.

In many cash transfer programs, household size is considered an important factor for targeting and working out the amount of transfers (Stolter and Eme 2006; Devereux et al. 2006). In the case of Machinga, the household size is one of the criteria, expressed in terms of a dependency ratio of 1:3 or a household size of four members. According to the implementation manual, the dependency ratio is used in targeting while household size is used in calculating the amount of income transfer.

The implementation manual states that grants are to be awarded to a maximum of four household members. Any additional members are not considered for any grant. This means that larger households with more than four members get reduced income transfer per head as shown in Figure 11. This disadvantages households with more than four members. Figure 11 shows that the amount of transfer per head reduces as the household size increases.

Figure 11: Average transfer rates per household member in Malawi Kwacha



Source: Author's calculations from study data.

The graph also shows that a particular household size may have different transfer rates per head. The difference comes from the household composition as only four

members are eligible for grants. What it means is that a household with more than four members will still receive the same amount as a household with four members.

In 2008, the maximum a household of four members received was MK1, 800 (US\$ 13) plus a bonus if there are any for children attending school. This transfer rate is based on the understanding that it needed an average transfer amount of MK 1,700 (US\$12) per household per month to fill the gap of MK 1,343 (US\$8.95) between the ultra-poverty line of MK 6,447 (US\$42.98) per month for a 5.8 person household against the average monthly expenditure of MK 5,103 (US\$34.03) for households in the lowest income quintile (UNICEF 2007). Data from the study show that grants awarded to these households are in line with these design parameters. This transfer rate is meant to help a household to move to or just above the ultra-poverty line of MK6, 447 (US\$42.98). Table 12 shows the transfer amounts per household per month.

Table 12 : Cash transfer amounts per household per month as of 2009

Household size	Transfer (MK)	Transfer rates (US\$)
1 person household	MK 600	US\$ 4
2 person household	MK 1, 000	US\$ 7
3 person household	MK 1, 400	US\$ 9
4 person household	MK 1, 800	US\$ 12

US\$1=MK150.80

Source: Shubert (2006)

There was an additional award of MK 200 (US\$1.33) per child enrolled in primary school and MK 400 (US\$2.67) for those in secondary school. According to the scheme's guidelines, this additional amount is meant to encourage school enrolment and attendance while discouraging child labour and premature drop-outs. As it will be shown in chapter 8, cash is mainly used to achieve this objective. The scheme

also aims at providing caregivers with the ability to meet basic needs such as food, clothing, soap, exercise books and pencils.

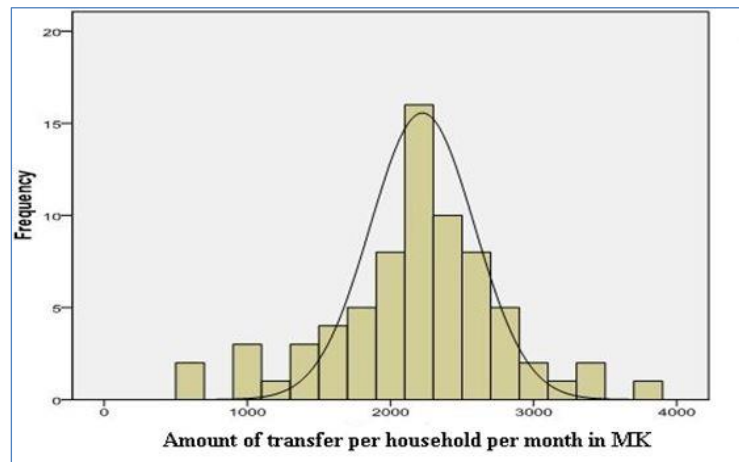
A change in household size has some implications on income and consumption patterns even if it is just an addition or subtraction of one member. International Food Policy Research International (IFPRI 2001) found that there was a sizeable decline in per capita consumption widely across Malawi due to the addition of an extra child in the household. In the urban regions of Malawi, per capita consumption decreased by 16.1 % while in rural areas, the decrease in welfare ranged from 11 % to 13.5 % on average. IFPRI (2001) also points out that it is not just a matter of one or more people being added to or being subtracted from the household but the gender of the member may also matter. Thus the benefits of an extending or change in the household structure may depend on the age and gender of the incoming or outgoing member.

Furthermore, Rynell (2008) argues that the impact increases when children are added because they also increase the amount of income needed to take care of the child and likely reduce the amount of hours that parents can work, thereby increasing the risk of poverty. This is even worse for elderly headed households who become children care-givers because the elderly already suffer from reduced income, labour and productivity.

The average household transfer was MK 2,180 (US \$14.5) per month as shown in Figure 12, which translates into an average of US\$2.72 per head per month. This is equivalent to 9 cents per head per day. This means that there is a short fall of U\$0.91

which the individual has to make up to reach the US\$1 per day mark. These figures show how vulnerable these households are. Therefore, social cash transfers are a useful intervention that can uplift these households to a certain level.

Figure 12: Monthly transfers per household in Malawi Kwacha

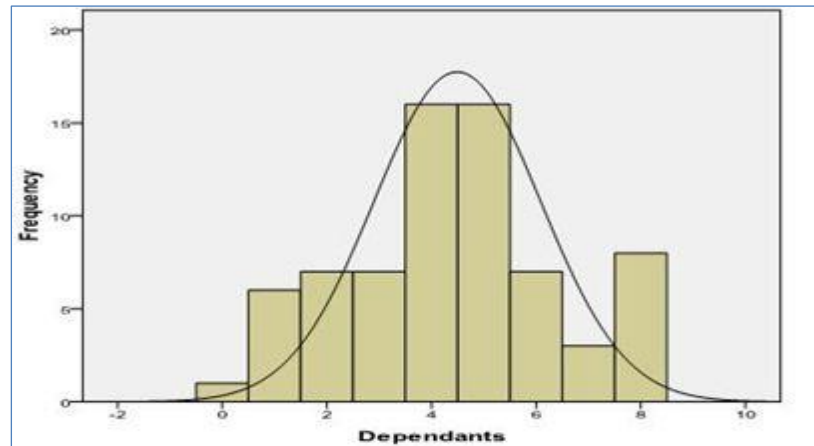


Source: Author's calculations

Figure 12 shows that many recipients are evenly distributed around the mean with an effective range from MK1, 500-MK2, 500.

In addition to household size, household composition is another important variable as a proxy measure for poverty that can be a potential source for contributing to high levels of poverty and vulnerability. Household composition deals with characteristics of the household members in terms of gender, age and household roles (NSO 2008). In this sample, I found that 73 % of households had children as dependants. With an average of 4.01 children per household means that most of these households had a household composition that rendered them vulnerable.

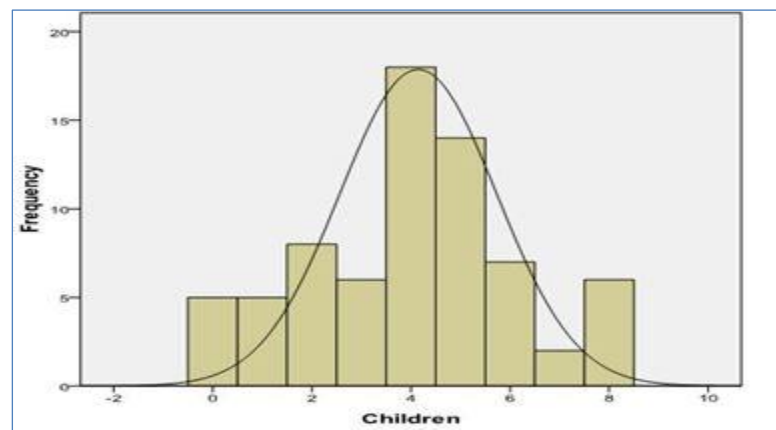
Figure 13: Average number of dependants per household



Source: Author's calculations

The average number of dependants was 4.39 as shown in Figure 13. Figure 13 also shows the number of dependants ranges from none to 8, but there many households have four to five household members.

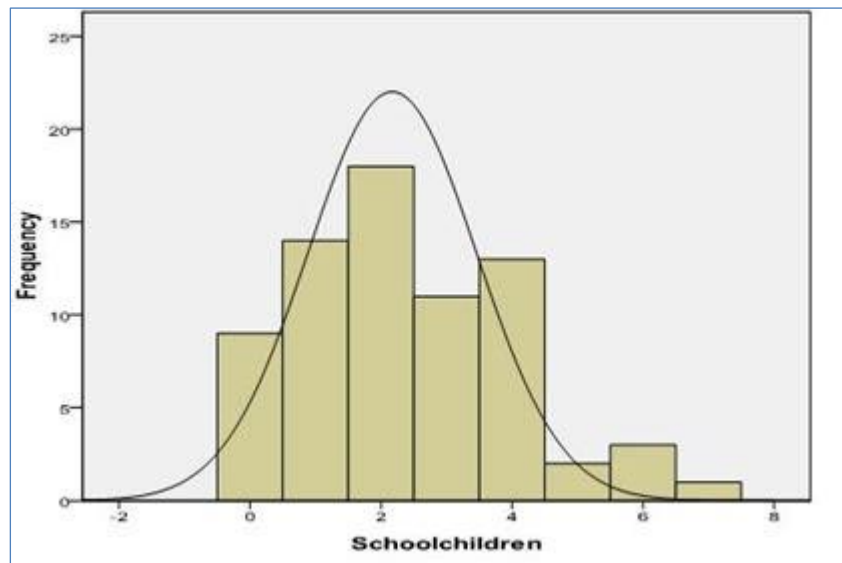
Figure 14: Distribution of children by household



Source: Author's calculations

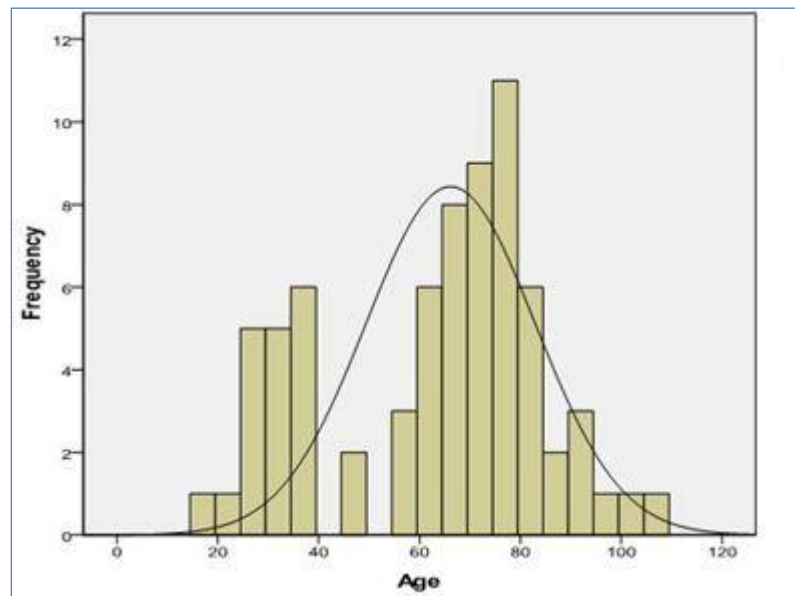
In my study, the average number of childe dependants was 4.01 per household and out of these, 2.39 children per household were attending school. In terms of outreach, it means that by targeting these households the scheme is reaching out to four children.

Figure 15: Distribution of children attending school by number of households



Source: Authors calculations

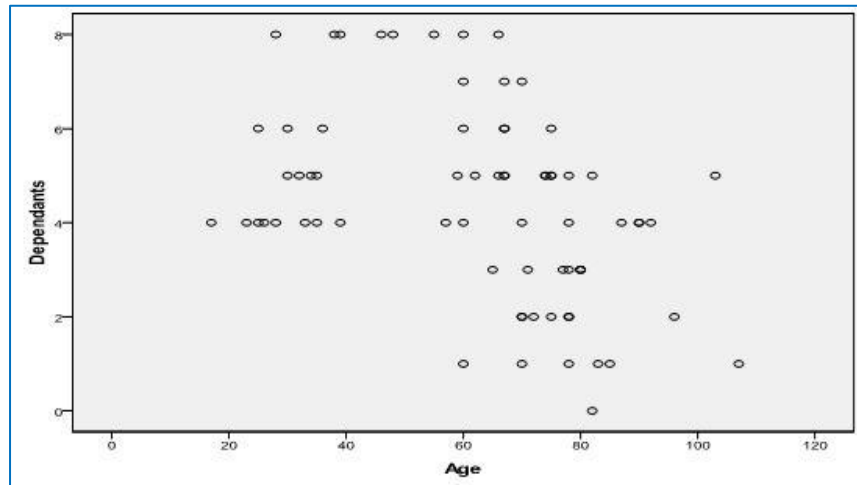
Figure 16: Distribution and the mean age of household heads



Source: Author's calculations

In addition to children, household composition is also characterised by an elderly population as depicted in the Figure 16. The average age of house heads is 62.46 as shown in Figure 16. Data show there are more dependants in households whose heads are over the ages of 60 as shown in Figure 17.

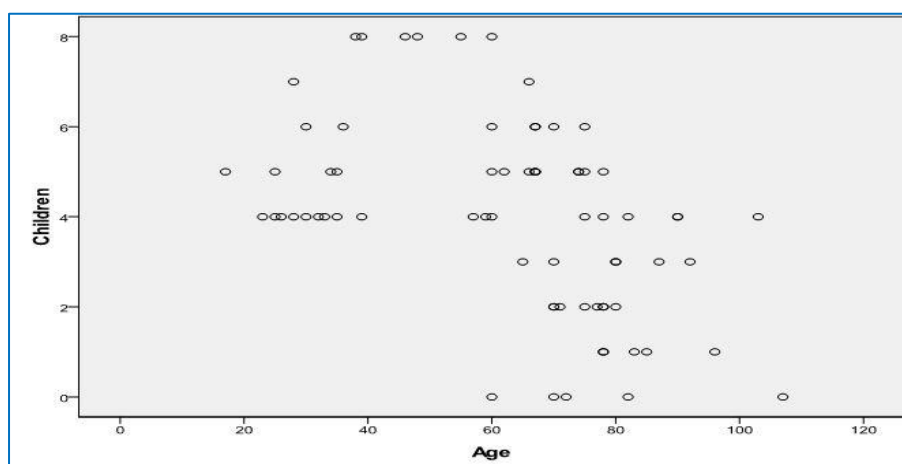
Figure 17: Distribution of dependants by age of household head



Source: Author's calculations from study data

The data shows that amongst the dependants, children are still a major constituency in households whose heads are above 60 years of age. This high dependency ratio in these households makes them to be more vulnerable because of care-giving responsibilities. When we compare the Figures 17 and 18, the main difference is only in relation to the concentration or density of plot, otherwise the range of ages of the recipients is the same.

Figure 18: Distribution of children by age of household head.



Source: Author's calculations from study data

As can be seen from Figures 17 and 18, households are characterised by a high dependency ratio and most of the dependants are children. The consequence of this high dependency ratio is that it puts pressure on the resources available to the household. As a result, there are marriage breakdowns, getting married earlier than the normal age and dropping out of school. Data from life history interviews show that many recipients were forced to make some difficult decisions as a result of inadequate resources available to a household. The following excerpt from life interviews (LHM-7) shows the impact of a large dependency ratio.

I have four children but I also adopted some children from my parents. My husband divorced me because we had many children in our family.

However, although women viewed marriage as a solution, in essence, it just perpetuated poverty. In the case of Machinga, one of the contributing factors to poverty is a result of caring for a household and that they have limited livelihood strategies compared to those who do not have caring responsibilities. After divorce or death of a bread winner, family earnings usually drop down. When a woman is divorced, children tend to remain with the woman as a cultural norm.

Household structure deals with issues of headship and relationships, who makes decisions and the various roles of household members. In most of the households, the household head is the responsible person for the use of the cash. In the study, most of the decisions were made by household heads. This was particularly interesting amongst women who indicated that cash transfers help them to gain autonomy in making decisions.

As can be seen from the above discussion, the recipients are characterised by large household sizes, high dependency ratio and elderly headed households. These characteristics increase their vulnerability.

6.3 Assets (capital) and livelihood strategies

These households can also be described as having a limited asset base and a narrow range of livelihood strategies. Data show that the recipients do not have a strong asset base from which they can deal with poverty and the risks that affect them, as discussed below.

6.3.1 Capital assets owned

Assets and capital are considered the key ingredients of capabilities (DFID 1999). In the SLA framework, assets are categorised as financial, human, physical, natural and social capital. Most of the recipients own very basic assets as seen from illustration 1.

Illustration 1: Basic assets owned by a recipient



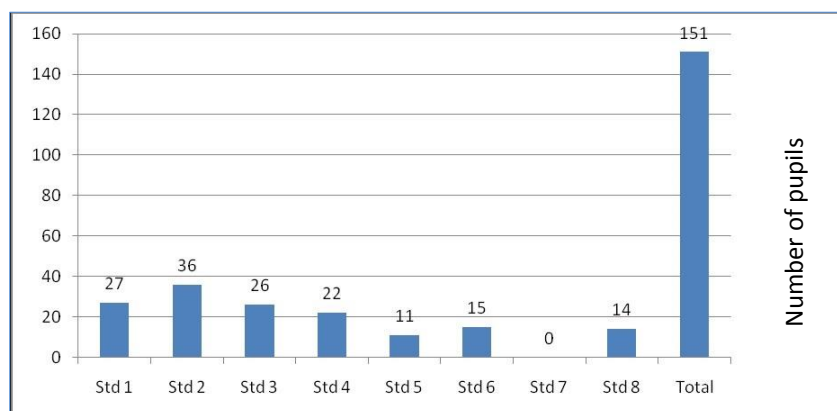
Source: Author's library

The above illustration shows the basic assets that the recipients acquire. As can be seen, these include basic utensils such as basins, plates and cups. But in addition to

spending on these basic assets, recipients also invest in human, physical, social and financial capital.

Human capital refers to skills and knowledge that household members have. Most of the recipients have low educational attainment that cannot guarantee any meaningful employment. Education correlates with earnings, and employment status and lack of access to education is a good predictor of future economic status (DFID 1999). All the interviewees except one went up standard five as the highest level of education. Only one interviewee had attained to secondary school education (form 3). Most of them failed to attain this level of education because their parents were unable to afford school fees and other school related expenses. From the life history data, it was evident that poverty was passed from one family to the other because of failing to meet educational needs. This presents a vicious circle of poverty from one family to another. Therefore, cash transfers do offer some hope by helping children access education. Figure 19 shows the number of children who have benefitted from this scheme. A total of one hundred and fifty one (151) had access to education as a result of the social cash transfers scheme.

Figure 19: Number of children attending school by class



Source: Author's summary from study data

Figure 19 shows that 151 children benefited from scheme as it enable them to be able to attend school. The figure shows that most of the children are very young in years one to three. This is very significant as it means that these children have an opportunity at a very tender age.

Another important characteristic the recipients is related to the type of housing people own. In Malawi, houses are basically categorised as traditional, semi-permanent and permanent dwelling houses (NSO 2008). Housing conditions amongst the recipients are traditional and very poor. These houses are built out of unfired bricks and are grass thatched. Illustration 2 is a picture of a house belonging to one of the recipients that was constructed using the cash she received from the scheme.

Illustration 2: A typical: house belonging to one of the recipients



Source: Author's picture library

Owning a house like the one above is a very significant progress in moving out of poverty as shelter provides the much needed comfort. This is a big achievement for the poor, more especially for the labour constrained. For some of the success stories see Appendix 6.

In terms of labour, 69% of the recipients were categorised as being labour constrained due to various reasons. Lack of labour means loss of earnings or hours worked. Lack of labour can come about due to old age, disability or through death of an able bodied household member. According to Bonilla and Gruat (2003), loss of employment as a result of lack of labour is more likely to push a household into poverty.

Some of the reasons that have contributed to lack of labour amongst the recipients of the scheme include chronic sicknesses, being a child, being elderly and due to physical disability. Chronic sicknesses as recorded by the CSPC include epilepsy, mental health disorders and pneumonia mostly in ages of 65 and above. Physical disabilities include blindness and those that affect the limbs such as hands and legs. All these types of labour constraints do affect employment opportunities and hours worked. Therefore, the scheme is a great way of helping them to manage risk.

6.3.2 Livelihood strategies

A livelihood strategy is a combination of several options through which people can make a living (DFID 2005). The main livelihood activities in the area include farming, livestock production, fishing and small businesses. Fishing is, however, a specialised activity and seen as appropriate for men. Farming and livestock are gender-neutral and that explains why some women are involved in farming and livestock production. Main crops for farming are rice, maize, tobacco and cassava.

Getting involved in piecework is the major source of living amongst the recipients. According to Whiteside (2000), piece work is widely used in Malawi to describe a range of short-term rural labour. The most common piece works are preparing

gardens or agricultural estates. Piece work is a crucial poverty issue in Malawi because:

- After own-farm production, piece work is the most important source of livelihood for most poor households – for some it is becoming even more important than own-farm production.
- Piece work is the most important coping strategy for most poor households in the crucial hungry period between food stores running out and the next harvest.
- The need to do piece-work to obtain an immediate supply of food may conflict with on-farm production and therefore, while addressing an immediate crisis, can lock some households into a vicious cycle of food insecurity.
- Low returns on piece work mean that agricultural labourers do not earn sufficient incomes to invest in sustainable livelihood development (Whiteside 2000)

The types of piece work include gardening activities such as land preparation and ridge making. Other forms of piece work include drawing water, washing clothes, selling firewood, rice harvesting, planting rice and gardening in river banks. The works are normally carried on a day-to-day basis or on a contract basis. On average, income ranges from K50 (US\$ 0.33) to K150 (US\$1) per day depending on one's ability and type of work. Generally the soils are sandy and are easy to work so that even the elderly are able to engage in land preparation.

According to one interviewee, this is what she had to say

The wage rate depends on the type of soil. For example, in some places such as river banks, we are given an area of say 10mx10m to till and that will give us about K50 (US\$ 0.33). Sometimes we would be engaged in planting of rice. Rice is mostly planted in river banks although during the rainy season, rice is also planted in areas where rainy water has been collected

On a contractual basis, this type of piecework involves informal agreements to either prepare land, plant or whatever activity for a fixed sum of payment. Payment may range from K3,000 (US\$20) – K5,000 (USD\$33.33) per contract. Women can also engage in drawing water. The amount of income generated varies, but filling a 200 litre drum, for example, costs K50 (0.33US\$). This means that one trip of 20 litre

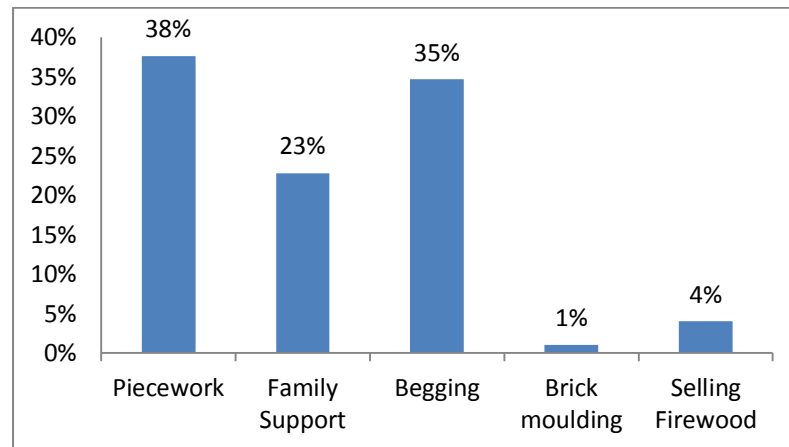
bucket costs K2.50 (US\$ 0. 02 \$) and filling of a 200 litter drum would be average for a day. Men can also engage in brick moulding. One brick costs K1.00. A standard village house requires about 2, 000 bricks. Other forms of piecework include washing clothes, and milling at maize mills. As can be seen from the above, piece work is a normal livelihood strategy in this area.

Another important livelihood strategy is doing small business. There were a lot of economic activities observed in the area. During the data collection exercise, I observed that there were a number of stalls (hawkers) selling commodities like tomatoes, dry fish and groceries. In addition to these, people also engage in keeping livestock such as chicken, pigeons and goats.

It was reported that there was a large market demand for chickens and goats. Many traders frequent the areas to buy chicken and goats. A fully grown chicken costs an average of MK 550 (US\$ 3.67) while a goat would fetch between K6, 000 (US\$ 40) and K7, 000 (US\$46.67).In addition to livestock keeping, crop farming is also a major source of livelihood.

Pottery was also identified as another source of income although very few women engage in this trade. A normal clay pot would fetch about K80.00 (50 cents). But this activity is done on a very small scale. Owning family wood lots is also a typical practice in this area. Trees planted include mango and blue gums. Blue gum is mainly used for poles and firewood.

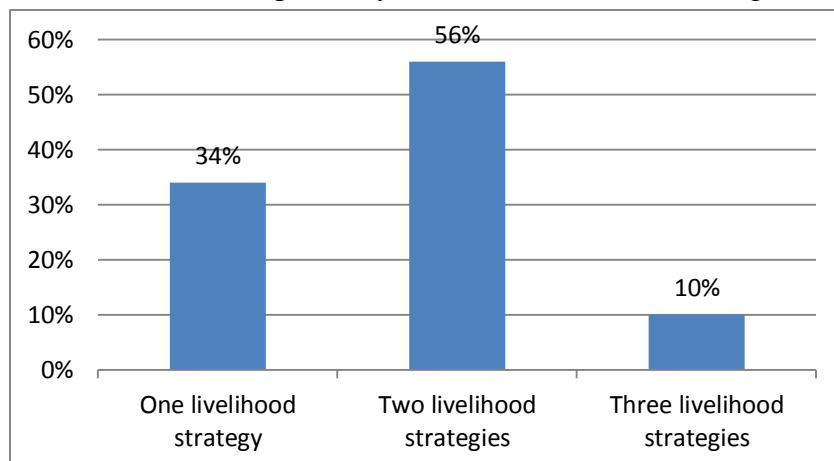
Figure 20 : Distribution of recipients by livelihood strategy



Source: Author's summary from study data

Figure 20 shows that the main forms of livelihood strategies include piecework (38%), begging (35%) and support from relatives or sympathisers (23%). In terms of livelihood combinations, 34 % of the recipients rely on one type of livelihood, 56% employ two livelihood strategies while 10% combine three categories. In terms of vulnerability, those involved in one livelihood strategy could be considered more vulnerable compared those with two while those with three can be considered more stable. Data show that that over 60% rely on more than two livelihood strategies while 34% rely on one livelihood strategy as shown in Figure 21.

Figure 21: Distribution of recipients by number of livelihood strategies



Source: Author's summary from study data

In terms of reducing poverty and vulnerability, the implication is that interventions should entail building on the existing capabilities through diversifying their livelihood strategies. Selling firewood appears a viable option because the demand for firewood consumption (energy) is a basic need of households. Moulding bricks may not be reliable since the demand is not constant as it is dependent on investment in building houses although it has a large potential for creating piecework for women in drawing of water. As can be seen from this discussion, recipients are characterised by low asset ownership and a narrow range of livelihood strategies.

6.4 Gender inequality and vulnerability

The study has also considered gender inequality as one of the critical dimensions of poverty. Gender inequality refers to disparities that exist among individuals based on their gender and not on biological differences in abilities or other characteristics. Others define gender as a social status, a personal identity, and a set of relationships between women and men, and among women and men (Lorber 2010). The concept of gender also refers to “economic, social, political and cultural attributes and opportunities, associated with being male and female” (OECD 1998) in (Tolstokorova 2009:3).

According to Mikkola and Miles (2009:7), gender inequality manifests in hierarchical gender relations, with men above women, and women regarded as inferior and less valuable solely by virtue of their sex. They further point out that gender hierarchy also manifests in family relationships, inheritance laws and customs; valuations of women's work and its general invisibility; and the power to

make decisions in society, the family, work place, religious and other cultural institutions.

While there are many factors (economic, social and political in nature) that interact in various ways, resulting in the production and perpetuation of poverty (Baden 1999), Beneria and Bisnath (1996) argue that from the gender perspective, poverty is not simply a function of material deprivation but also reflects the role of institutions and ideologies in positioning women and men in society. As such, “gender inequalities exist in all societies” (Giddens 1989:206). As a result of these gender disparities, men and women are assigned different roles in society which entail different levels of access to resources, facilities, services, choices and opportunities by the various social groups (Gilbert et al. 2002).

Thus, based on the above observations, the Millennium Development Goal 3 (MGD3) recognizes that reducing gender inequality is a very critical factor in addressing poverty (Assembly 2000). MGD3 aims at promoting gender equality and women empowerment. And, as the MDG3 cuts across all the other seven Millennium Development Goals and because the goals are mutually reinforcing, progress towards gender equality has the potential of advancing the other goals. Indeed, the importance of addressing gender inequality is supported by many institutions such as the International Conference on Population and Development (United Nations 1994). United Nations (1994) argues that eliminating discrimination based on social, cultural, political, economic and gender, is a prerequisite for eradicating poverty.

However, there are several conceptual and theoretical explanations of gender inequality which and consequently pose as a challenge in addressing gender inequality as it entails that different approaches have to be employed. Some of the prominent conceptual frameworks include: structural functionalism, socialist feminism, radical feminism and liberal feminism which are discussed in the sections that follow.

Structural functionalists view gender inequality as a result of social structures, norms, values and institutions from societies such that men and women have fixed roles in society, with men fulfilling instrumental roles and women expressive roles (Tischler 2006). Structural functionalism claims that gender differences between men and women are immutable, and therefore universal. The immutability, it is argued, relates to biology in the role of reproduction of women and the social institutional needs for men and women to fill different roles, especially but not exclusively in the family (Tischler 2006). Therefore, it is argued that nothing much can be done to change the status quo.

On the other hand radical feminists view gender inequality as being firmly embedded in the patriarchal system, although some radical feminists acknowledge the simultaneity or intersectionality of gender factors. Intersectionality is the idea that various biological, social, and cultural categories-including gender, race, class, and ethnicity interact and contribute towards systematic gender inequality. This group contend that women's experiences of inequality and oppression vary by their social location within capitalism, patriarchy, class, nationality, race and ethnicity (Ritzer and Goodmen 2003). I tend to agree with intersectionality to be better in explaining

gender inequality as it is not possible to explain gender inequality based on one perspective.

Radical feminists however, affirm that out of the different types of oppression which they see in every institution and in society's most basic structures (heterosexuality, class, caste, race, ethnicity, age) and gender systems of oppression in which people dominate others, the most fundamental structure of oppression is the system of patriarchy. Patriarchy is the dominance of men in social or cultural systems. They reason that women are not just treated differently and unequal to men, but they are actively restrained, subordinated, moulded, used and abused by men (Ritzer and Goodman 2003). Radical feminism focuses on the sexual exploitation of women by men and especially on men's violence against women (Renzetti and Curran 2003). In fact radical feminist view is that the basis of all gender inequality is the sexual violation of women namely: violence against women in the forms of rape, wife battering, and sexual abuse of children, sexual harassment, non-voluntary prostitution, and pornography (Agassi 1989).

Radical feminists claim that the patriarchal system is characterized by power, dominance, hierarchy, and competition. They believe that the system cannot be reformed but only ripped out root and branch. "It is not just patriarchy's legal and political structures that must be overturned on the way to women's liberation but its social and cultural institutions (especially the family and organized religion) must also be uprooted" (Tong 2007 :15). Despite this strong standpoint, it is not clear how this can be achieved.

Socialist feminism on the other hand focuses on both the public and private spheres of a woman's life and argues that liberation can only be achieved by working to end both the economic and cultural sources of women's oppression. Many theories concerning the status of women have originated within socialist thought, which blames the existing material inequality in society for most or all of its ills (Agassi 1989). In fact socialist thinking locates the origins of all inequality more specifically in the private ownership of the means of production by one class and contends that the elimination of all inequalities will be effected by the expropriation of the privately owned means of production by the revolutionary proletariat and by their subsequent administration by society for the benefit of all (ibid: 162). Thus, socialist feminism brings in the role of capitalism in the oppression of women in addition to radical feminism's theory of the role of patriarchy. Socialist feminists reject radical feminism's main claim that patriarchy is the only or primary source of oppression of women and therefore sets out to bring together oppression under capitalism and of oppression under patriarchy into a unified explanation of all forms of social oppression (Ritzer and Goodman 2003).

Socialist feminists assert that women are unable to be free due to their financial dependence on males in society. Women are subject to male rulers in capitalism due to an uneven balance in wealth (Tong 2009). They see economic dependence as the driving force of women's subjugation to men. Further, socialist feminists see women's liberation as a necessary part of larger quest for social, economic and political freedom. The combined views from socialist feminism underpins the notion that women are not a homogenous group and therefore analysis of women's

condition should not be reduced to biological aspects of gender only but must be considered as social objects who have a role to play (Kaundjua 2007)

On the other extreme is liberal feminism which argues that gender inequality has its origins in historical traditions that have set up barriers to the advancement of women. Liberal feminism emphasizes issues such as individual rights and equal opportunity as a basis for social justice and reform (Ritzer and Goodman 2003). In fact, modern liberal feminist theories of gender equality are based on the assumption that in order for women to achieve equal status, all stereotyped social roles for men and women have to be abolished (Agassi 1989). Further, this framework assumes that the socialization of women into gender roles contributes to the inequality experienced by women in society. To bring about social change and neutralize gender inequities, liberal feminists advocate removing barriers to the advancement of women within society and developing policies to promote equal rights for women. The liberal feminists' theory includes the claim that the abolition of gender segregation of occupational roles is necessary for the achievement of women's equality. The liberal feminist framework has been the basis of many legal changes that have been used to bring about greater equality for women in the United States (Lorber 2010).

Liberal feminism argues that there is no difference between women and men and therefore women should have equal representation in public arenas dominated by men such as at work, in government, in professions and the sciences (Lorber 2010). In other words, they tend to emphasise similarities rather than the differences between women and men. Theoretically, liberal feminism claims that gender differences are not based on biology, and therefore women and men are not all that

different. They argue that if women and men are not different, then they should not be treated differently under the law. Women should have the same rights as men and the same educational and work opportunities. For example, the goal of liberal feminism in the United States was embedded in the Equal Rights Amendment to the U.S (Lorber 2010:3)

Contrary to radical feminism, liberal feminism argues that equality for women can be achieved through legal means and social reform (Renzetti and Curran 2003; Ritzer and Goodman 2003). Consequently, they suggest that gender equality can be achieved by a social transformation of the division of labour in key institutions such as law, family, education, work and the media. Thus, liberal feminism focuses on securing the same legal rights for women as that of men (Renzetti and Curran 2003; Ritzer and Goodman 2003). Hence they seek to confront and lobby for change in existing social arrangements which they regard as inhumane and unjust. They wish to eliminate gender as an organizing principle in the distribution of social ‘goods’ and they are willing to invoke universal principles in their pursuit of equality (Ritzer and Goodman 2003; Renzetti and Curran 2003:22).

One of the achievements of liberal feminists according to Tong (2009) is that they have influenced many of the civil, educational, occupational, and reproductive rights that women currently enjoy. However, non-liberal feminists have increasingly dismissed liberal feminist’s claims of their achievements. They argue that these claims do not necessarily advance all women’s interests; but the interests of only certain groups of women, namely: privileged women who, because of their privilege, think and act like men (Tong 2009:50)

Overall, what these perspectives show is that due attention should be paid to how gender has been conceptualised and understood in dealing with gender inequality. In this regard, Kaundjua (2007) observes that achieving gender equality and women empowerment can be problematic as gender does not refer to women or to men or numbers but to the various systems of relations between them.

6.4.1 Gender risk and contextual factors in the study group

The observation from life history data is that there are two main explanations of poverty amongst women in the study group: gender-based and structural or contextual risk factors.

6.4.1.1 Gender based risk factors

As already discussed in the conceptualisation of gender inequality, there are many reasons for explaining these differences. However, in terms of female headship, Kabeer (2003) observes that some of the processes that lead to female headship may represent positive choices such as divorce from an abusive marriage. For example, in her study, she found that female headed households had greater autonomy and control over resources and the outcomes of women and children were in some cases better than in male households with the same level of income. Other processes include customs, widowhood, divorce, separation, polygamy and migration by male members. Some of these processes or events are observed in this study that many women became heads of households because of one or more of the above reasons. Kabeer (2003) therefore cautions that it is still appropriate to design interventions that focus on female headed households, but requires a careful contextual gender analysis prior to the implementation of any potential targets for poverty interventions.

Life history data points to some elements of gendered dimension of poverty as depicted in Table 13. These life histories show certain traits that depict the plight of women. The stories point out certain aspects of gender inequality that are embedded in social norms and values in society. The actions that these women undertook appear to be normal in this society. It appears to be a commonly held tradition for women to think of marriage as a lasting solution to poverty. Kaundja (2007) points out that by virtue of gender inequality women get less material resources, social status, power and opportunities for self-actualisation than do men who share their social location. Thus, in a given context, women's claim on entitlements may be circumscribed by rules, norms and practices that limit their ability to make a choice among alternatives (Kaundja 2007). This observation is noted in the life history data in Box 2. However, it is interesting to note that even men look at marriage as a support mechanism to their challenges as can be seen from this excerpt from LHM-1.

I was born in 1983 and I am a Yao by tribe. My parents were farmers. I left school in standard three because my parents passed away and there was no one to support me. We are four in our family and I am the first born child. The problems that I used to face include lack of food, clothes and parental care. I got married so that my wife could assist me bringing up my three young brothers. I joined the scheme in 2008 because of the problems I have just mentioned.
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From the structural point of view, the case of LHM-23 reveals a lot of hidden gender dimensions of poverty.

Box 2: Life history data for one of the recipients, LHM-23

I was born in Zimbabwe and I am 40 years old. I am a Yao by tribe. My father worked as a Cook. My grandfather brought me to Malawi from Zimbabwe when I was young. My grandfather is a farmer. I left school whilst in standard 1 because of the problems I was experiencing. After that, I started working as a housemaid. Later, I stopped working as a housemaid and joined Mgodhi estate grading tobacco and stamping. When the farm was closed, then I was forced to get married to a family which had nine children.

Following this marriage, I followed my husband where he was working. Later, he stopped working and started doing our own business. We were selling groundnuts, plastics, cups and plates. We were blessed with three children and we decided to go back home in Chisungwi village where my husband come from. Later, my husband married another woman and we divorced because of this second marriage. Thereafter, I returned to stay with my parents at my home and started working as a farmer. After a year, I got married to another man who was a teacher.

Later, this second husband started dating other women and we divorced again. My grandmother passed away and I decided to move from Nsanama to Liwonde because I wanted to do some farming. After two years, I returned home and after a year my father passed away. I started to work as a cook. In 2008, I joined the scheme.

Apart from structural and contextual factors, we can also see some of the gendered aspects of poverty. For example, on a number of occasions, she was forced to marry or resorted to marriage as a solution which in my view is an aspect of male dependency. This may also explain the lack of access and control of resources for women and therefore they resolve to depend on men. A full record of these cases is given in appendix 2.

These tables have random numbers because life history interviews were taken from the three clusters and maintained the cluster identity for easy follow-ups. Recipients participating in life history interviews were assigned identification codes based on cluster and rank on the register. For example LHN-1 means life history data from household ranked number one on the register from Nampemba cluster. Similarly, LHC-1 is from Chimwankhunda cluster while LHM-1 is from Mgodhi cluster. Table 13 is a summary of some of the data from life history interviews which show some of the events/risks they encountered and how they managed to deal with them.

Table 13 : Summary of life history summary for some of the recipients

No	ID	Event	Consequence / Livelihood strategy/remarks
1	LHN-7	She was unable to attend school because her parents were poor.	She got married because of poverty She is a widow with 7 children.
2	LHN-16	She was unable to school due to lack of fees because her parents were poor.	She got married as a solution. She is a widow.
3	LHN-18	She was unable to attend school due to lack of fees and came from a large family with eight children.	She got married instead.
4	LHC-18	She stopped in standard 3.	She got married to find someone to share with her problems.
5	LHM-1	He stopped in standard 3, because his parents were unable to pay for his school fees.	He married so that his wife could assist him bringing up his brothers.
6	LHM-3	She was unable to school due lack of fees, relatives could not support her.	She was forced to marry. Her first marriage broke up and she re-married. She has six children.
7	LHM-4	She came from a large family, not able attend school and has ten children.	She got married instead.
8	LHM-5	She got married as a solution to poverty, she got divorced because of having many children.	She managed to invest in keeping livestock. She owns some chickens, doves, ducks and goats.
9	LHM-7	She could not continue with school because of poverty.	She got married as a solution.
10	LHM-9	Her parents were unable to pay school fees.	She got married instead.
11	LHM-14	She did not go to school due to poverty.	She got married instead and she has seven children.
12	LHM-16	She stopped in form three. She couldn't continue because her father and mother died and then one of her brothers went away.	She got married as a solution.
13	LHM-21	She stopped in standard five because she lost her mum.	She got married instead.
14	LHM-22	She left school because her parents were unable to pay for her school fees.	She was forced to get married to a family of 9. Then she was divorced. Married again but later divorced again.(see box 2 for details)

Source: By author from life history data

6.4.1.2 Structural and contextual factors

Data from life history interviews also show that there is a relationship between someone's family background and the present situation they are in. For example, LHN-7's excerpt shows this. She was born in 1962, 46 years at the time of registering.

I was born in Blantyre and later my parents moved to Machinga. My parents were farmers. I was unable to go to school because my parents failed to pay school fees for us. We were 6 in our family. The rest died and I am the only survivor. I ended up getting married because of poverty and unfortunately enough, my husband died and I am a widow with seven children. This explains why I was identified for the scheme.

Life history data also show some elements of intergenerational poverty. And, as already discussed above, especially through the structural functionalist view, gender inequality can also manifest through structural and contextual factors. Such is the case in this study. For example, life history data points to some cultural, demographic, social and economic factors that have influenced what options or strategies that women undertake and the level of access and control of resources that they have. In this study, many women ended into marriage as a choice or strategy for averting the consequences of poverty. Thus summary above also shows the impact of poverty on future generations as most of these stories point to the fact that these people are in the current situation because of their family background. Most of these stories show the impact of poverty on education.

For example, the narratives show that women resorted to getting married as a solution. However, what seemed to be a solution ended up being a source of problems such as having a large family or becoming a widow. In this way, it becomes a cycle of poverty. The introduction of social cash transfers in this case

offers some hope of breaking this poverty cycle by supporting children's access to education.

In addition, the dominant system of marriage in the area under study is matrilineal. In this system of marriage the husband has got limited authority over property and children. Instead, the person who has authority over the children remains with the woman's brother. The implication is that when marriage is dissolved on whatever grounds, the woman assumes full responsibility of caring for the children. This becomes a burden as the woman has to take care of the children.

Furthermore, the area under study practices polygamous marriages (Luhanga 2008). As such, women in this polygamous environment received compromised care from their husbands. In effect, they are more or less female headed households. As a result, some of the households have been found to be eligible on the scheme though they are married. However, although these women in the households benefiting from the scheme have access to financial resources, they do not have full control over the resources. The resources are still under the control of their respective husbands. See the excerpt from IC-18

I am a Yao by tribe. My parents came from Mozambique and they are farmers. I failed to attend school because they failed to pay school fees because of poverty. Some of the problems I meet include lack of clothes and food. I do piece work in order to get food. I got married because I was poor and growing old. In addition, I come from a large family of eight. I am the second born. When I receive the money, my husband wants to have control over it and this creates problems in our family.

This section has highlighted the presence of gendered based dimension of poverty. These life stories show how women are more vulnerable from the gender point of view. Chapter 8 discusses the impact of social cash transfers on some of these gender-based inequalities.

6.5 Policy and institutional environment

Policy is one of the main instruments that the government uses to support the poor. The study found that the policy and institutional environment for supporting the poor is weak as evidenced by the failure to study the recipients during the study period. Recent policies include decentralization policy that aims at giving power to local government institutions and the grassroots. In the local government framework, there is a District Development Plan which details comprehensive local development plans for a particular district. According to the Machinga district development plan of 2008-2011, the process of developing this plan takes into account of community needs at grass-root level. This approach means that the needs and aspirations of the poor are being supported with relevant technical and administrative support.

The district development plan is linked to the national development plan through three national developmental plans for Malawi namely: Vision 2020 as a National framework for development; the Malawi Growth and Development strategy (MGDS) and the Medium term Investment programmes, this means that the implementation of district development plan is able to contribute to government's medium and long term socio-economic goals (Makonokaya 2008). As already discussed under social protection policy in Malawi in chapter 4, social protection is a major theme in the MGDS and thus shows how the current policy and institutional environment aims to support the poor.

According to the district development plan, the priority of the district is to be food secure, followed by the need to have good roads and then quality water. Therefore the current social cash transfers are quite relevant to supporting the poor and vulnerable and evidence suggest that the recipients have achieved one of their livelihood objectives of being food secure since most of them spend their income on food.

At community level, these policies and services are mainly implemented through the ministry of education, health and agriculture with the support of government extension workers. This arrangement has been the traditional link to the grass roots. During one interview with an agricultural extension officer (AEO), it was apparent that agriculture extension services are available but some of the recipients did not have access to these services. One of the reasons was that the recipients did not have information about the available services.

At the time of study (2009), some recipients who had lost some of their birds due to bird flu indicated that the last time their livestock (chicken) had been vaccinated was in June the previous year (2008). However the AEO indicated that the vaccine was available on request or at times the government offers a universal vaccine at a small fee. The previous vaccine was offered at K1.00 per chicken. A commercial vaccine was available with one dose costing K950.00 (US\$6.33) per 1, 000 birds.

However respondents indicated that even in the event that the vaccine had been administered, the birds continued to die and they found that it was not worthwhile at all. However, the AEO said the problem was that the vaccine was administered very

late while the birds were already infected. The problem of bird flu had discouraged households who invested in chicken rearing. This problem led many to desire investing in goat keeping. One exception to the rule was that one recipient had bought 3 birds and by the time of the research, the birds had reproduced up to 28. The reason was that she resorted to using a local vaccine made traditionally from herbs. When asked as to whether she could extend this service to others, she declined. This area could be worth further exploration to find out if the service can be made available to other livestock keepers.

In addition to government services, there were also some non-government organisations that operate in the area. Some of them were faith-based organisations. One notable faith based organisation was a Muslim organisation which provided social support to vulnerable individuals especially to the elderly and children. For example, one recipient stated that she received rice and pack of sugar in the months of Ramadan. Normally well-wishers bring some items to the mosque and leaders decide who should benefit from these gifts. Unfortunately this type of support is earmarked for those who profess Islamic faith.

Another organisation, the Malawi Council for the Handi-Capped (MACOHA) does support some of the recipients who are disabled. One couple who are both blind do get some support from MACOHA. The husband engages in guitar playing as a source of income. He receives K1, 000.00 (US\$6.63) per month.

6.6 Conclusions

This chapter has looked at various characteristics of the recipients such as household and demographic characteristics (size, structure, and composition) assets and

livelihood strategies the recipients have at their disposal to deal with poverty and vulnerability. The Policy and institutional environment was also considered. The chapter also attempted to compile an understanding of the causes, nature and depth of poverty and vulnerability of the recipients. The chapter also considered the gender dimension of poverty in the study group.

From the discussion in this chapter, I observe that the households are characterised by a small capital base and a narrow range of livelihood strategies such that the recipients are vulnerable to the various social- economic risks. This means that they have limited resources that they can draw from. As already pointed out, vulnerability is a function of the assets and livelihood strategies the poor have at their disposal. As such recipients do not have a strong asset base to rely upon.

Secondly, we also observe that they are characterised by large household size which affects the amount of transfer per head. In addition, most households are composed of children and elderly people. This means affect the level of income that can be generated per household. Larger household size also means reduced transfer rates per head.

Thirdly, these recipients do not have adequate education to guarantee employment; they do not have reliable sources of income and social capital. They own very basic physical assets and not reliable productive assets. Living conditions are poor which in most cases does not provided reliable protection. Despite all these constraints, we still see that the poor have the desire to move out of poverty as evidenced by the fact that they are able to invest in productive activities instead of just on consumption.

In terms of gender, we observe that there are more female headed households than male headed households which are poor. Some of the reasons for this disparity include structural and contextual factors. In addition to this, we also see that there is a gender dimension of poverty in the study group. Many women resorted to getting married as a fall-by strategy for escaping poverty. However, this option just perpetuated poverty. Therefore, appropriate interventions that can help to break some of the gender-based barriers are of paramount importance. These may include cash transfers as is the case now, awareness campaign programmes and other policies that can support children access education.

Lastly, policy and institutional environment is rather weak. There are weak linkages within the different sectors such as education and health. Social cash transfers do have a direct link to education services although there is great potential if this was strengthened. There is need to strengthen these linkages right at district level and create appropriate support mechanisms at community level.

Chapter 7 : Does Community-Based Targeting Effectively Target the Poor?

7.1 Introduction

Effective targeting of resources is one of the challenges encountered in the provision of social protection in many developing countries. As already outlined in chapter two, one of the reasons is that there are difficulties in obtaining detailed information on households. This is compounded by lack of technological advances in keeping records for tracking changes that occur in households. Obtaining detailed information on households is difficult largely because most of the poor belong to the informal sector unlike in developed countries where up-to-date data are readily available. Therefore, community-based targeting is considered as a viable option that can be used in targeting the poor.

In addition, community-based targeting (CBT) is being favoured as an appropriate method because of the argument that the method is less costly and simple to administer than other methods as CBT does not require detailed information on household characteristics. Furthermore, it is also argued that community based targeting embraces local understanding of poverty and vulnerability because it involves the community in one way or another and therefore it is very effective in identifying the poor (Conning and Kevane 2002).

Reid (2000:2) describes community participation as “business not simply run by an elite leadership, but it is the work of everyone”. However, what constitutes a community in one region or country may not have the same meaning because of how communities are structured or organised. These contextual differences bring about

many variations of community-based targeting practices and therefore the discussion in this chapter may have some limitations for generalisation.

While there is a general orientation towards CBT, there are some critics who argue that the advantages of CBT can be outweighed by community preferences which may not always be pro-poor. In some cases, it has been found that the well better-off may not really be for the poor because of their own interests in the benefits of the scheme. For example, there are cases CSPC conniving with recipients to use false names in order to continue benefitting from the scheme (Luhanga 2008).

The objective of this chapter is to contribute to this debate of using community based targeting of eligible households. The chapter is structured as follows. The first section provides the background on the targeting processes as practised in the Machinga Social Cash Transfer Scheme in terms of who participates, roles of the various community entities, administration costs, and transparency and accountability issues. In the second section, I compare the characteristics of the targeted households against the pre-scribed targeting criteria as stipulated in the implementation manual. In final section, I draw everything together into conclusions.

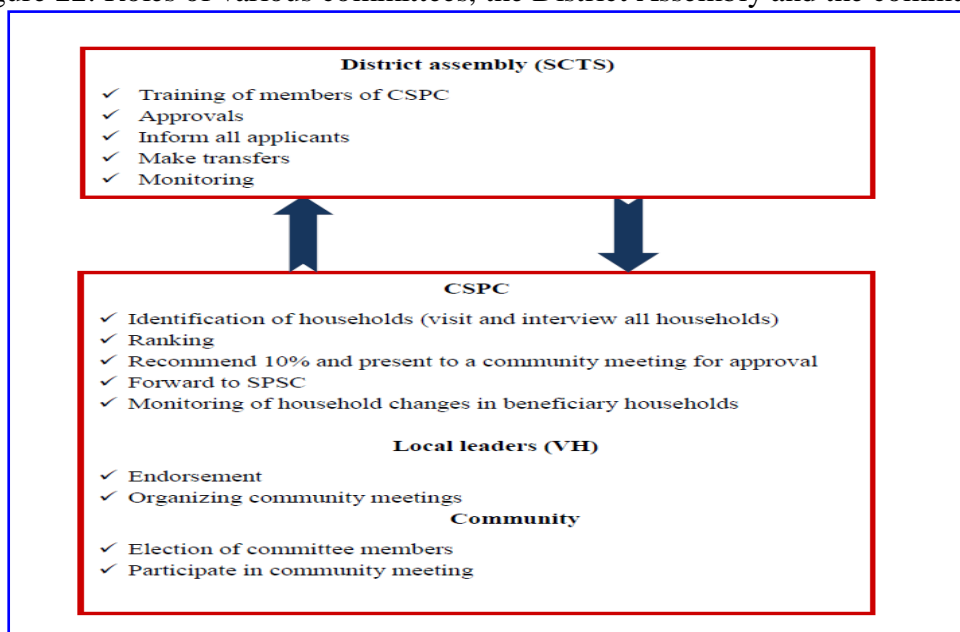
7.2 The targeting process

The targeting process in the Machinga Social Cash Transfers Scheme is a shared responsibility among various interest groups as shown in Figure 23. Sharing responsibilities ensures that personal interests of stakeholders are dealt with. As observed by Shuring (2014), individuals act selfishly if not restrained which usually compromises principles of egalitarianism. Therefore, community based targeting can

build trust and improve targeting outcomes that are responsive to the needs of the poor. This observation is supported by Jones and Samuels (2014), who, based on their study using qualitative methods on how cash transfer programs can facilitate schooling in Kenya, Palestine and Peru, argue that involving communities in program design, monitoring and evaluation is essential to promote greater transparency and accountability, and ultimately child well-being outcomes.

There are four groups that participate in the targeting process and have specific roles to play. These are: the district assembly through the Social Cash Transfer Secretariat, the Community Social Protection Committee, local leaders (village headmen to be specific) and the rest of the community. The rest of the community are individuals who do not have any leadership role in relation to the scheme. Take note that what is considered as a community here in this case is not a homogeneous entity. All these community entities participate with varying roles. In fact, Robertson et al. (2014), in their study from a randomized controlled trial of a cash transfer program for vulnerable children in eastern Zimbabwe to investigate the effectiveness, coverage, and efficiency of census and community-based targeting methods for reaching vulnerable children, found that community members reported that their participation improved ownership and reduced conflict and jealousy. The different community groups and their roles are shown in Figure 22.

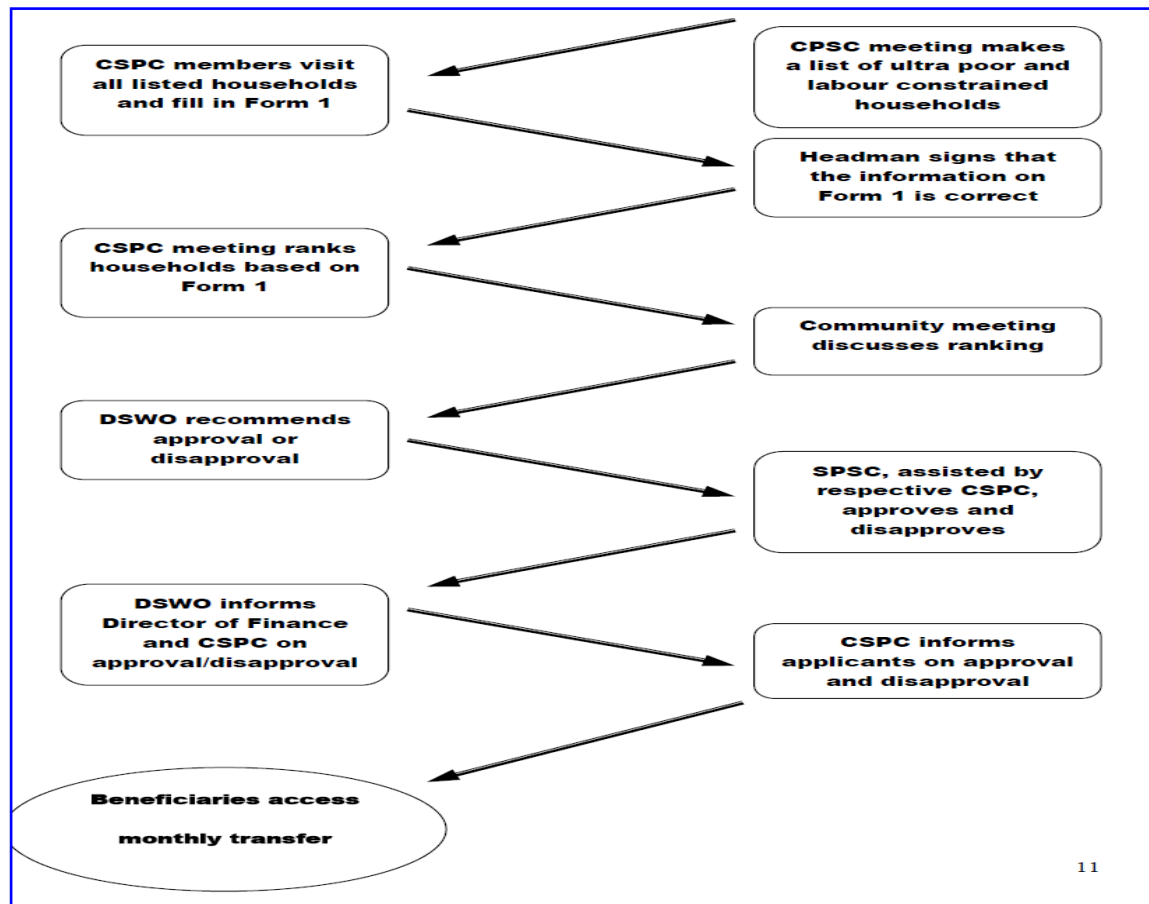
Figure 22: Roles of various committees, the District Assembly and the community



Source: summarised from Schurbert (2008)

According to Schurbert (2008), in addition to the sharing responsibility, targeting in this scheme is also a multi-stage process because there are several stages involved from identification of the recipients to the approval stage as shown in Figure 23. One of the strength of this arrangement is that mistakes are corrected at the various stages since these stages engage with different actors. For example, mistakes at the community level are corrected at district level.

Figure 23: Stages of the targeting process



Source: Shubert (2008)

From Figure 23, we can see that the process involves nine (9) stages from the identification of households that are potential candidates for the scheme up to the point of actually transferring the cash. This may appear quite demanding but the advantage is that it occurs once at the beginning of the scheme, and then it becomes the responsibility of the CSPC as indicated in the following outline shown in the Figure 22 and 23. The following sections discuss these stages in detail.

The first stage involves the District Assembly staff organising a community meeting at which the scheme is introduced, explained and the responsibility of the

community explained. During this meeting, the community elects members of the Community Social Protection Committee (CSPC).

The committee has a one-day training organized by the district assembly officials covering various aspects of project administration. The CSPC however, felt that the one-day training is not adequate to cover all aspects of the scheme. The committee also felt that refresher courses would also be important as sometimes they encounter problems that require more knowledge about the scheme. The external evaluation on Mchinji District Social Cash Transfer Scheme (Miller et al. 2008) reported similar sentiments as well.

The CSPC is charged with the responsibility of managing the day to day activities of the scheme at community level. The involvement of local leaders and the community work as a counter-check in the implementation of the scheme. However, in some cases it is reported that some local leaders are not conversant with the targeting process and this creates misunderstandings with CSPC members (Makonokaya 2010). Despite these weaknesses, involving the community underscores what Nelson and Wright (1995) argued that within the framework of democratization, community targeting is also perceived as integral to the notion of participation as an end rather than just a means.

The second stage involves the CSPC to list all households that fulfill the targeting criteria of being ultra-poor and labour constrained based on parameters outlined in the implementation guidelines. These observable household characteristics are

proxies of this category of the poor based on the Integrated Household Survey of 2005.

After identifying the households, the CSPC at village Group level (sub-committee of the VDC) visits and interviews all households that seem to meet the targeting criteria. A visit by two CSPC members to each listed household follows up this activity. The main aim is to verify the initial listing and to collect more details about the household. Personal details collected include name of the household, age, gender, availability or unavailability of labour. Other factors that are considered include

- reasons for being labour constrained,
- number of children that attend school,
- name of school, livelihood strategies,
- type of external support,
- assets owned and
- whether it is HIV/AIDS affected household

At this stage, the beneficiary households choose a representative who would be collecting the cash in cases where the head of household is not capable to take up this role. The household representative signs the form, countersigned by the CSPC member who did the interview. Finally, the village headman countersigns the forms.

At stage three, they convene a meeting where the CSPC members discuss each household in more detail. Households not labour constrained are removed from the list although some households continue to remain based on other criteria. This information comes from the details collected during the household interview exercise. Ranking process based on household needs then follows. The ranking is consensus based, and relies on local knowledge of the CSPC members for each

particular household. They then rank all households that have a dependency ratio of more than three by comparing the level of needs of each household.

The idea of ranking the recipients in community based targeting closely relates to proxy means tests despite the fact that the ranking does not use a score derived from the observable characteristics of the individual or household. Although it is possible to derive a scoring or ranking index, this exercise may not be important because of the fact that the process takes place at community level and the advantages may not outweigh disadvantages. This could also mean unnecessary additional work for the CSPC.

At the fourth stage, the CSPC presents the selected and ranked to a community meeting in order to ensure that they do not exclude households meeting the criteria from the initial list. They then delete all households not meeting the eligibility criteria from the initial list. In this way, the process achieves consensus on the appropriate ranking. This consensus comes from the knowledge of the committee members about the households.

This community meeting also acts as check facility to ensure that there is transparency in the targeting process. Then the CSPC forwards these results to the Social Protection Sub-Committee (SPSC) at district level. The SPSC is a sub-committee of the District Executive Committee (DEC) which is assisted by extension workers then checks to ensure that targeting process has been fair and transparent. If the results are correct, then they approve the 10% neediest households.

The final list considers 10% as eligible for transfers basing on the assumption that the lowest 10% are the absolute poor. Finally, the SCPC presents the approved list to a community meeting for the final consensus. The main aim at this point is to have the approval of the community as to whether they should make some changes or adopt the list as it is. These forms are sent to SCTS Secretariat for approval.

Once this is done, the SCTS verifies the list for cash transfers to commence. From this point, targeting now becomes a continuous exercise by following up on changes in households so that the list is updated on regular basis. This exercise however, does not involve the whole community any more. At the time of the research, no additional households were identified to replace those that had been moved out of the scheme because it was not operating due to lack of funds.

The approval process is not very complicated because at this stage the CSPC has already done most of the work. The SCTS at district level checks completeness and consistency as to whether the households are indeed ultra-poor and labor constrained. Extension workers also play a key role at this stage. Once the SCTS approves the list, they inform all applicants of the results of the approval. Then, the payment process begins. The payments are usually on monthly basis, at an agreed pay point mostly at a school.

According to the CSPC, there is always discontentment from those who fail to meet the criteria and fail to benefit from the scheme. Most of the recipients stated that they were happy to be in the scheme. However, for those who failed described the process as unfair while the CSPC felt that the targeting process is fair but poses some

challenges to those who are not included. For example, in some cases recipients become victims of discrimination because they are listed on the scheme. A case in point is that in some villages, other schemes such as subsidy programs sideline the recipients of the transfer scheme because they are already benefiting from government.

As can be seen from the above discussion, the main strengths of community based targeting include sharing of responsibilities which ensure that there is some degree of transparency and accountability as these offer checks and balances at the various levels of the targeting process.

7.3 Targeting outcomes

The outcomes of the targeting process show that the scheme is able to reach the intended households within reasonable limits. An analysis of this data in chapter 6 showed that the targeted households successfully met the selection criteria. As already indicated in the previous chapters, targeting is by household and according the implementation manual, a household has to meet two eligibility criteria of being ultra-poor and labour constrained.

The above criterion implies that the recipients should be in the lowest expenditure quintile and under the ultra- poverty line. Income and consumption expenditure from the integrated household survey of 2008 shows that the ultra-poverty line for Malawi in 2008 was US\$42 per annum. In terms of household observable characteristics, the poor who lived below this poverty line showed that they can only afford one meal per day, not able to purchase essential non-food items like soap, clothing, school

utensils, they rely on begging as a livelihood strategy, and they do not possess valuable assets (UNICEF 2007). Thus it was found that these observable characteristics are quite useful correlates of the ultra-poor for developing targeting criteria which can be used for targeting purposes.

Another feature is that these households are characterised by lack of labour.

According to the implementation manual, a household is labour constrained

- if it has no able bodied household member in the age group 19 to 64, who is fit for work, or
- when one household member in the age group 19 to 64 years, who is fit for work, but has to care for more than 3 dependents (household members that are under 19 years of age or over 64 or are unfit for work because they are chronically sick, or
- Disabled or handicapped).

The aggregation of data shows that most of the recipients are in the 60+-age bracket.

Those between the ages of 20 and 40 have other factors as outlined above to qualify.

According to the CSPC, when recording, the information is categorised into the number of households affected by HIV/Aids, the number of people living in the household, total number of children in the households, the number of children attending school, the number of aged persons (+65) in the households and the number of persons with disabilities in the households.

The majority of the target group households consist of the elderly as household heads (over 64 years) who also have a high dependency ratio. The advantage of targeting this age bracket is that most of the times they are also care-givers and this is one way of increasing the impact of the scheme since these households have high dependency ratios.

Another advantage is that by targeting a household, the scheme is reaching out to more children. For example by targeting these households, the scheme is also reaching out to an average of 4 children in general and 2.39 children who attend school per household. Other studies have pointed out a similar observation. A study by Goliad (2007) reported that although the targeting process does not include HIV/AIDS as a targeting criteria, it is argued that an appropriately designed social cash transfer scheme in low income African countries with high HIV and AIDS prevalence can reach approximately 80 per cent of the HIV/AIDS affected households simply because they are ultra-poor and labour constrained.

According to Gulaid (2007), where the majority of households are affected directly or indirectly by HIV/AIDS such schemes impact on children more efficiently and effectively than targeting resources specifically at children affected by HIV/AIDS.

7.4 Cost of targeting

Although it was not possible to obtain detailed costs of the scheme, the available data point to the fact that targeting costs are within reasonable limits. As discussed in chapter two, targeting costs are a function of the method of targeting used and it is considered that among all the targeting methods, community based targeting is less costly than the others.

In this scheme, targeting costs include the cost of the trips made by the district assembly staff for verification of changes in the households benefiting from the scheme and identification of new clusters (rolling out) while operational costs

include the cost of delivering the transfers, targeting and approvals, administering changes in these households, creating linkages and monitoring.

While geographical targeting which focuses on a region or location may be less costly, but is not ideal in this case since the objective is to capture the poorest 10% regardless of the geographical location. The poor are everywhere in Malawi so geographical targeting may not be ideal. The program has national coverage which forms the initial stage complimented by other community targeting.

A comparison of the various targeting methods in relation to the scheme to target only 10% of the most vulnerable, self-targeting is not the best way of identifying this category of the poor also it may be less costly. If for example, the scheme was open to everyone and people asked to apply for US\$14, the better-off would still apply. The challenge is that in low income countries like Malawi, US\$14 is a very significant amount for those that are in dire poverty. Therefore, self-targeting cannot work. Self-targeting is mostly used in public works programs where a form of conditionality based on some work-fare requirement is used.

Targeting costs also appear reasonable because of the sharing of responsibilities. It means that most of the day to day management of the scheme is undertaken at community level. But this does not mean no-costs because some of the costs are borne by the CSPC and not recorded by the scheme. At community level, there are no funds allocated for these activities. The idea is that they members are part of the community and doing what they ought to have been doing. However, CSPC members receive an allowance of MK1, 250 (US\$ 8) per month as an incentive for

managing the scheme's activities. The DA also provides the CSPC with bicycles for mobility but maintenance costs are taken by the CSPC. During the meeting with the CSPC, the indicated that maintenance of the bicycles is difficult and the assembly do not help them with spares. These observations tend to agree with Essuman and Bosumtwi-Sam (2013) who found that community participation in education delivery comes with economic cost to some community members and raised the question about what is reasonable to expect from communities and in particular, the wider education community.

Involving the committee at this level also takes care of dealing with information constraints since the committee only collects basic household data which correlates with economic parameters of poor households. This data collection does not need technology as it is recorded on hard copy. However, it was not possible to determine the actual costs borne by the committee as they undertake their day to day activities but the time spent collecting information may have some opportunity costs.

Since the day to day administration at community level is undertaken by the CSPC, it means that the DA can concentrate on other activities at district level. Unlike in other programs like public works, in this scheme, the regular activities involve the CSPC only as the recipients do not do anything apart from waiting for the payday. After all, it is not practical for the District Assemblies to be involved with the day to day management of the scheme at community level. Thus, process appears to be fairly manageable since the CSPC is part of the community and their involvement does not necessarily interfere with what they normally do. They are able to collect

basic data on households, which is adequate for the purposes of identifying the eligible poor and vulnerable.

Tracking changes in households is a continuous activity undertaken by the committee. This is because household size, composition, and structure change over time due to deaths, aging, sickness and other factors. In some cases household heads can die, or move out of the impact area. All these changes have to tracked and reported. Therefore, the CSPC continues to monitor through spot checks or monitoring visits. Once they notice some changes then they institute an appropriate action.

However, tracking changes can also be a highly demanding exercise because of the frequent deaths in these households. For example, in 2008, they reported 42 deaths in just three months. Following up all these changes can be so demanding in terms of time and the paper work. Therefore, the idea of having the CSPC is valuable because it is a cost cutting arrangement as the CPSC undertakes everything at this point. It also saves time since the committee members are stay in the same locality.

While at district level, the costs arise because they have to verify these changes. This means fuel and allowances for verification trips. Typical verification exercises would be once in a month. However, in terms of capacity this is a challenging exercise when considering the size of the district as SPSC as district level is not a standalone committee solely for the sake of the social protection scheme. It is also involved with other development activities.

7.5 Conclusions

This chapter has examined the experience of using community-based targeting in the Machinga Social Cash Transfer Scheme by looking at the administration of the targeting processes. The chapter also compared the targeting outcomes against the prescribed targeting criteria

The discussion has shown that since the targeting process is a shared responsibility as it involves various stakeholders, it allows for transparency and accountability in the process. In addition, the targeting outcomes also show that community based targeting is able to target the eligible recipients based on the prescribed targeting criteria. The targeting criteria coupled with the community's knowledge of the poor makes community targeting more effective. Through community targeting, the scheme is able to identify the ultra-poor and labour constrained as stipulated in the implementation manual.

The results also confirm that targeting households enables the scheme to reach as many categories of the poor such as women, children and the elderly. In this case targeting these resources by households can increase the impact on poverty and vulnerability. In addition, an analysis by gender shows that community based targeting was able to target more women than men.

However, although targeting in general is administratively more demanding in terms of time, resources and implementation capacity, community based targeting appears to be affordable as most of the activities are undertaken at community level.

Therefore, community targeting offers many advantages in view of the fiscal and budgetary constraints that Malawi faces.

Furthermore, although the CSPC spends a considerable amount of time in the administration of the targeting and (re-targeting) the procedures are not administratively complicated. At policy level, the involvement of the community is in tandem with the spirit of decentralization policy which advocates for community participation in development.

In view of the other targeting methods, community targeting offer more advantages. There is no need for detailed information on income and expenditure for households as the observed household characteristics are adequate to identify the poor compared to means-testing, proxy means tests, self-targeting and geographical targeting.

Ranking however, is somehow contentious as it is based on consensus instead of a ranking score. Though it may not be an issue, but putting weights on the various indicators may improve the ranking process although this may imply increasing the complexity of the targeting process.

Overall, the chapter concludes that in the absence of very detailed household information, community-based targeting is adequate enough to identify the poor within reasonable limits. Data on household characteristic of the recipients shows that they are within the pre-scribed targeting criteria. Thus it is possible to target a household just by its size and dependency ratio in addition to livelihood assets and livelihood strategies the poor have.

Chapter 8: Social Cash Transfers, chronic poverty and gender inequality

8.1 Introduction

This chapter presents the main findings of the impact of social cash transfers on poverty, gender inequality and vulnerability. The chapter addresses the following research questions:

- 8.1.1 How do social cash transfers help the poor in reducing chronic poverty and gender inequality?
- 8.1.2 To what extent do cash transfers help the poor to move up on the poverty ladder?

The chapter is organised as follows. The first section looks at the contribution of social cash transfers to the capabilities set of the poor. The second section looks at the impact on their livelihood strategies. The third section looks at the role of social cash transfer in enhancing gender equality and empowerment of women. The sections that follow consider the extent of movement of the recipients on the poverty ladder, the impact on the local economy, some issues for policy considerations and finally the conclusions.

8.2 Social cash transfers and chronic poverty reduction

From the capability approach, social cash transfers are able to enhance consumption as well as investment in productive assets, financial, social, human, and physical capital commonly referred to as the asset base or the capability set. The asset base is an important resource that people draw upon in dealing with poverty and managing the various risks in life.

8.2.1 Impact of social cash transfers on basic assets

Data shows that there is a substantial improvement in ownership of basic assets. This included personal belongings like blankets, mats, wrapper and cooking utensils. Recipients use part of their income in buying clothes and basic utensils that they use in their homes. These basis assets are useful because they use them on a day to day basis. Having clothing helps them to live a better life. Thus, the scheme is an effective tool for protecting the poor from destitution.

8.2.2 Impact of social cash transfers on financial capital

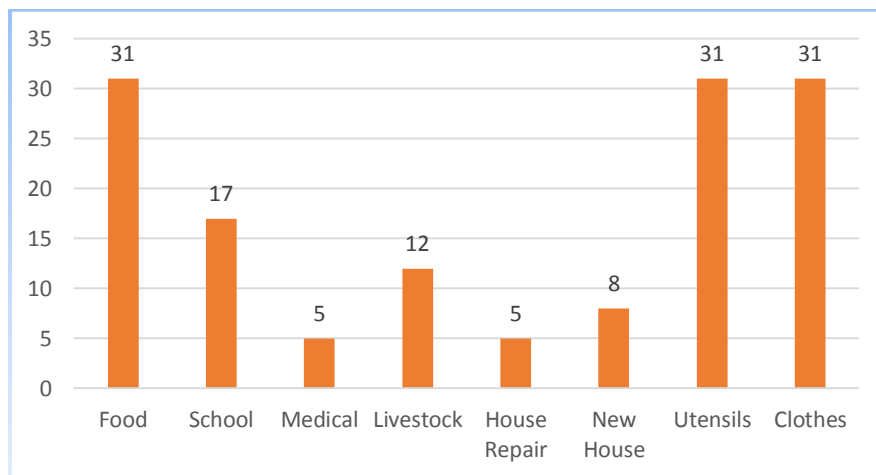
Financial capital is the backbone of the cash transfer scheme as it is the primary objective for enabling the recipients to have additional financial capital. Financial capital gives them power to undertake activities that are critical to their survival. Financial capital, as the name suggests is the financial resource that is available to people (whether savings, supplies of credit or regular remittances or pensions) and which provide them with different livelihood options (DFID 1999). The advantage of enhancing financial capital is that it gives the poor the freedom to decide on how they can use the income in addressing issues that affect them. In fact, cash helps them to meet household needs but also invest in healthcare, education and other productive activities (DFID 2005). This is the basic idea of increasing the incomes of the poor in that it enhances their financial capability.

8.2.3 Impact of social cash transfers on human capital development

Human capital includes the skills, knowledge, ability to labour and to be in good health and is important because it enables the poor to pursue different livelihood strategies (DFID 1999). Data shows that recipients spend some of the income on food and health services (see Figure 24). Spending income on food and health

services can improve their health and enhance their ability to be more productive. Spending on food items also contributes to an improved nutrition intake of the children and adults in the households. Good health is also realized through the acquisition of non-food items and improvement in their housing and living conditions. Figure 24 shows some of the main categories on which the recipients spend their income they receive from the scheme. For more details see appendix 1.

Figure 24: Number of recipients by type of expenditure



Source: Author's summary from study data

In addition, cash transfers also enable children to access education because they are able to purchase school uniforms, textbooks and pencils. Most of the recipients spend their income on these items as shown in Figure 24. Investing in education implies that they are dealing with long term poverty that may arise because of not being able to access education. As already discussed in the previous chapter on life history data, some of the recipients are poor because they did not have access to education. These findings agree with Persson and Alpizar (2013) who observed that CCT schemes have successfully alleviated short-term poverty and increased the accumulation of long-term human capital through higher school enrolment rates and greater utilization of public health services. Although it is not a guarantee that the

education children receive to date may be useful, non the less, human capital development is one of the critical factors for eradicating poverty (United Nations Development Programme 2010).

In fact, since the scheme started in 2006, school enrolment increased as well as attendance in primary schools. During the 8 months the transfers were interrupted, there was a marked drop in school attendance. When the scheme was operational, the total number of pupils enrolled was 274 and dropped down to 184 when the scheme was not providing transfers due to funding problems (Mdala 2009, pers. comm., November). This is a significant drop and demonstrates how these transfers can support the poor. In fact, these findings support many commentators who have argued that conditionality may not be necessary to increase school attendance among the recipients since there is evidence that unconditional cash transfers can have similar impacts (DFID 2005; Samson 2009). Rey and Estevan (2013) argue that under sufficiently accurate targeting, CCT are more effective than UCT in enhancing the efficiency of these households' decisions. They further observe that UCT is superior to CCT in terms of welfare unless targeting is perfect, in which case UCT and CCT are equivalent.

The findings from this study also agree with DFID's observation that in some cases even if services are provided for free, there still exist some constraints such as transport, uniform and textbooks that may hinder the poor to access these services (DFID 2006). Rey and Estevan (2013) provide another observation that some parents may fail to invest in the education of their children because capital market imperfections prevent them from borrowing. Although primary education is free in

Malawi, many households still face a lot challenges in meeting the demands of sending children to school. One interviewee, IN-4 who was 35 years old and was also a widow used the cash income to send her children to attend school and reported that she could not afford MK20.00 (US\$0.15) text book for her son as quoted here

It is now two weeks my son has not been to school because I cannot afford to buy a textbook and a pen. I only managed to buy a text book and a pen for his elder brother (IN-4).

These are some of the demand side barriers that cash transfers can address. A number of evaluations from developing countries show that social cash transfers can be used to address these barriers. Some studies have shown that outcomes include a fall in school drop-out rates and higher enrolments, empowerment of girls, removal of cultural barriers to girls attending school and remaining unmarried until at least 18 years (DFID, 2006). What we also see here is that despite the fact that these transfers are not conditional to service use, households make rational decisions on how to spend the cash and mostly spend it on education, health and food. An excerpt of a report in Box 3 shows the impact of not transferring cash.

Box 3: Report on the effect of not transferring cash

Due to non-availability of funds, people have not received monthly transfers since January 2009. This has negatively impacted on many households especially child headed ones, chronically ill headed and elderly headed households who depend solely on cash transfers. During the monitoring period, it was also observed that these households are depending on children to earn money from piecework. During this period, two child-headed and two elderly-headed households were visited. The households reported that they are facing difficult economic times due to non-availability of transfers for a year now. However, child headed households are affected more as compared to other households as evidenced by the following:-

Antony Break is always along Lake Chirwa to do piecework; leaving his younger siblings without anybody to look after them. Another relative from Mposa came to get them to Mposa.

Juma Time is 15years and his younger relatives have gone to seek refuge to a nearby community member who used to assist them when they were in problems. Although they receive assistance from this household, the head of the household is an elderly person who depends on a relative to earn a living and expressed fears that relatives may withdraw assistance should they hear that she is keeping other children.

Of children with disabilities

Last year an organization called Campaign for Education (Camfed) which focuses on girls in primary schools offered to assist boys and girls with disabilities who get selected to secondary schools.

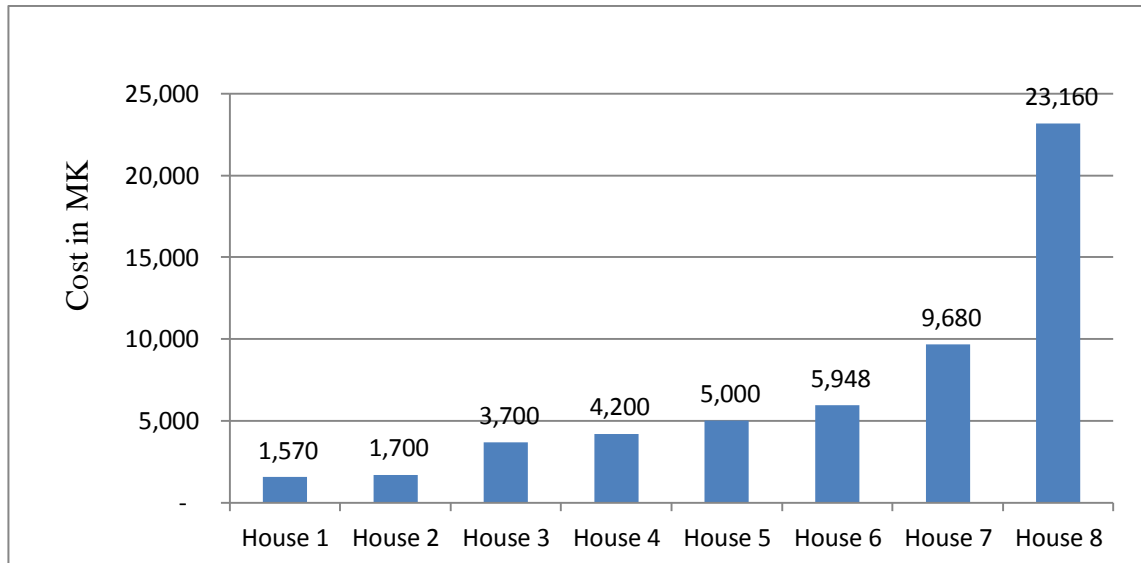
It was very interesting to note that out of the 154 primary schools in the district of Machinga, only 4 children with disabilities were selected for secondary school education. In an effort to discover the reason for this, it was found that most of the disabled children do not get to standard 8. A meeting of Primary Education Advisors observed that these pupils come from poor households and with no promising support of school fees and do not see the need of working hard at school. The Camfed support is promised at standard 8 and yet these pupils are impoverished while in the lower classes and so the impact of basic needs demotivates them and leads to high dropout rates among these pupils.

Source: (Mdala 2009, pers. comm., November).

8.2.4 Impact on physical capital accumulation

Physical capital consists of infrastructure (transport, shelter, water, energy and communications) and the production of equipment and means that enable people to pursue livelihoods (DFID 1999). The main physical capital accumulation at household level in the Machinga scheme is building shelter. Eight of the recipients managed to build houses, which is a very significant asset. In addition to investing in shelter, some recipients have also managed to improve their sanitation and general living conditions. These improvements are significant in dealing with exclusions as people feel they are part of the society. Figure 25 shows the cost in Malawi Kwacha of building shelter of various sizes and quality.

Figure 25: Costs of the eight houses built by some of the recipients in MK



Source: Author's summary from study data

The cost of constructing shelter ranged from as low as MK1,500 (10 US\$) to MK23,000 (US\$153) depending on the size and quality of materials used. Some of recipients managed to put in their own labour but the cash helped them to hire skilled labour and purchase building material. Building materials included grass for thatching, poles, plastic sheeting, doors and door frames among others. Many of the recipients reported that having a shelter was a priority. Shelter is a means that provides some level of comfort that they can enjoy.

In addition to building houses, cash is also used to improve sanitation and hygiene facilities such as electing fences, bathroom, kitchens and toilets. Sanitation and hygiene are some of the determinants of a healthy population as improvements in sanitation and hygiene leads to a reduction of the incidences of diseases.

8.2.5 Impact of social cash transfers on social capital

Social capital are the social resources (networks, membership of groups, relationships of trust, access to wider institutions of society) upon which people draw upon in pursuit of livelihoods (DFID 1999). Some of the recipients managed to gain social trust simply by being on the scheme's register. For example, IM-4 had this to say:

During the time I used to receive cash transfers, I was able to get some groceries on credit and pay when I receive the cash at the end of the month. This time around, it is difficult after the scheme stopped giving us cash transfers (IM-4).

In addition to enjoying this social trust, IM4 managed to build a house, fence and a toilet for herself. Some of the materials were her own contribution while labour was provided by a relative. She said that the cost would have been higher had it been that she hired labour from outside her kinship. Many recipients used their own labour but the cash helped them to hire labour and purchase building material as observed from the following excerpt.

Poles were available from the woodlot that I own. The other items were from the old house. Building a house was my priority after my husband passed away and did not have a house. In addition, I bought two chickens and I use the eggs for consumption (IM-4)

The above excerpt that the scheme can have multiplier effects as shown above. IM-4 invested in chickens which she can sell at the same time use the eggs to boost the family's nutrition intake.

8.3 Impact on livelihood strategies

The study also found that cash transfers do help recipients of cash transfers to diversify their livelihoods strategies. Some recipients invested in small businesses, livestock production and farming. From the study, it emerged that most recipients

were keen to be supported up to a level where they can effectively benefit from mainstream development programs. While benefiting from the scheme, most of them still engage in other activities. This is mainly because the cash they receive is not tied to any time demanding activities and therefore they can afford time to attend to other activities.

It is also very interesting to note that the poor are able to save and invest in various portfolios. Savings means that people can defer current consumption. IM-20 started with three birds but at the time of the research, she owned twenty-eight birds. At a market value of K550 (US\$3.67) per chicken, means she was K15,400 (US\$102.67) better off from an initial investment of K1, 650 (US\$11). In fact, investing in livestock was even more profitable than saving in a commercial bank because this translated into a higher return on capital employed. IN-4 invested K6, 000 (US\$40) in goat keeping and she was expecting of having two more goats the following few months.

Illustration 3: Birds belonging to IN-20



Source: Author's study data.

Thus, investing in livestock has good returns on capital employed. Some of the recipients have invested their income in agriculture and farming. The main crops being cultivated include cassava, maize and pigeon peas. Some of them use the cash to buy agricultural inputs such as fertilizer. These findings show the various ways through which cash is helping the poor to deal with poverty. IC-9 had this to say:

In addition to building a house, I have a garden where I grow cassava, pigeon peas and maize. The garden helps me to boost my business of selling cassava, beans, tomatoes and fish.

From these activities, we can observe that cash transfers are also helping the poor to protect and at the same time promote their livelihoods. The scheme also helps them to have time to undertake other social economic activities. Time which was used to engage in “piece work” is being used on other activities. One household indicated that since they started benefitting from the scheme, a member of the household was able attend school. In addition, they were able to pay school fees. This offers them time to concentrate on education and less on thinking about where to get money for the children attending school.

Since we started receiving monthly transfers, I have stopped doing piece work and am able to concentrate on school. We are able to pay school fees of MK2, 000 (US\$13.33) per term at Mlombwa day secondary school (IM-21).

The 18 year girl went up to standard 6, the 16 year boy went up to standard 5 while the 12 year attends primary school. The girl receives the money and she reports to the other members of the household on how the cash has been used. She is responsible for spending but reporting to them on regular basis. Galiani and McEwan (2013) made similar findings. In their study of the Honduran PRAF experiment where they randomly assigned conditional cash transfers to 40 of 70 poor municipalities, within five strata defined by a poverty proxy, they found that that eligible children were 8 percentage points more likely to enrol in school and 3

percentage points less likely to work. For the elderly, this period enables them to rejuvenate or refresh their energy and reduce mental stress as observed from this excerpt.

When I receive the money, I don't do any piece work for about two weeks. Once I run out of the cash, then I can go back to doing piece work (IC-13).

These breaks can contribute to the factors that enhance their quality of life as a continued subjection to physical work and mental stress can significantly reduce their quality of life. Furthermore, most of the recipients are over 64 years and this means that they have less disposable energy available. But due to the level of destitution, recipients as old as 90 years still get involved in physically demanding jobs.

Overall, we can observe that the scheme is helping the poor to achieve some of their livelihood objectives in various ways. Most of them did, however, indicate that they have not yet realized their dreams. One interviewee, IC-9 invested her last payment of MK4, 000 (US\$26.67) into a grocery business. At the time of study, they estimated that their business was worth around Mk10, 000 (US\$66.67). They were on the verge of accessing credit facilities but then the scheme came to a halt. At the time of research, they were not on the list anymore because they had moved out of the eligibility criteria.

We really had wanted to approach some financial services organisations so that we could borrow some money but we were short of cash for the initial deposit. Now our business is going down (IC-9)

8.4 Impact of social cash transfers on gender inequality and empowerment of women

As already discussed in chapter two that while there is some evidence that cash transfers have the potential of addressing some of the gendered inequalities, there are

still some questions about their effectiveness. The main argument posed by proponents of cash transfers is that regular cash transfers to women is a means of economic empowerment while increasing their decision making power in the household. However, Holmes et al. (2010) observe that while there is good documentation and analysis of the experience of CCTs, the extent to which these transfers address the gendered dimension of poverty and vulnerability is still in question. Others have argued that targeting women may reinforce their traditional role of women as caregivers and that cash is not adequate to empower women (Molyneux 2006; Soares and Silva 2010). According to Molyneux (2006), women are rewarded for being good mothers because they comply with the responsibility with the support from the state.

Therefore, this section examines these arguments based on the understanding that gender inequality can manifest in the level of access and control of resources, what roles and activities the society assign to men and women while enlargement of choices, autonomy and access or claim on entitlements are the main avenues defining empowerment. Agassi (1989:168) identified “access to resources, autonomy (that is freedom to make life choices and the freedom of movement), participation in the making of decisions through membership, and active participation in the decision-making institutions and the holding of positions of power (economic, political, and ideological) as important components of empowerment”. It must be noted here that although the social cash transfer scheme under study is not gender targeted, it is still important that we assess how these transfers can address gender-specific vulnerabilities identified in the study group. In addition, this assessment can also enhance our understanding on how the

implementation of these transfers can be improved in order to be effective in addressing these gendered inequalities.

Kabeer (2003) has simplified the concept of gender equality and empowerment in terms of the ability to make choices, or according to Sen (1999), the process of enlarging people's choices. However, due to gender related inequality, the ability to make choices affects women and men differently. As a result, women are often at greater risk of becoming poor than men. All these factors consolidate the notion that although poverty is often perceived as material deprivation, its causes can also be traced in social power relations that govern the access and control of resources (Kaundja 2007).

In addition to empowerment as the ability to make choices, another form of empowerment refers to autonomy. Galtung (1980) in Meynen and Vargas (1991) associates the concept of autonomy with an individual's capacity to develop power over one's life. This autonomy is acquired through the development of the material and non-material means to overcome oppression caused by different forms of power.

Meynen and Vargas (1991) identified four dimensions of autonomy that relate to the process of women's empowerment

- physical autonomy (which implies control over sexuality and fertility);
- economic autonomy (based on equitable access to control over the means of production);
- political autonomy (referring to basic political rights, including self-determination and the creation of pressure groups with particular orientation and proposals) and
- Socio-cultural autonomy (which refers to the capacity to assert one's own identity and to self-esteem) (p. 9).

Another form of empowerment emerges from the conceptual framework of entitlements by Amartya Sen. In this framework, the focus of empowerment moves from the resources themselves to command over resources. According to Sen (1999), poverty is a result of social relations and processes that determine which individual and social groups gain command (entitlement) over resources. According to the same Sen, entitlements are determined by a person's social position in society (occupation, class in relation to production, location such as urban/rural, the knowledge and skills they possess, age, gender etc.). Contrary to the conventional approaches to poverty definition and measurement, Sen's approach stresses a range of means that are available to a person to achieve human capabilities (Baden 1999). They include both legal rights and extended informal rights that regulate how people gain command over resources inside and outside the households.

Sen's theory of entitlements and capabilities highlights the rules, norms and unruly practices from which entitlements, gender constraints and biases are derived. He points out that a woman's ability to make a choice from a range of entitlements may be constrained by these rules, norms and practices. All these factors can limit their access to land, capital goods, credit and other productive resources. These rules may also limit women's market engagements, restraining what women are able to do, husbands' prohibitions on wives working, and usually coupled with the expectations that their reproductive role calls for a primary concentration on households work (Baden 1999). Holmes et al. (2010) also make a similar observation in that while opportunities for women in Latin America have improved over the past two decades, gender inequalities in the labour market remain a barrier to women's economic independence

Women may also have lesser endowments due to biases in educational investments and inheritance patterns (Hemmati and Gardiner 2002). Women often claim lower returns on their endowments in the labour market because of gender labour segregation and under-payments. Institutional rules, norms and practices, particularly those governing families and kinship, subvert women's claims on endowments, for example when in-laws inherit all the properties leaving the bereaved wife and children destitute (Baden 1999). Patrilineal inheritance customs usually mean that private control of land and other productive resources falls under ownership of men. The main point here is that gender is expressed along a complex interaction of relations and institutions through symbols, political, social practices and in subjective identities (Meynen and Vargas 1991). Thus, gender inequality is the result of distinct though interlocking, social relations and processes and thus women's experience of poverty is mediated by social relations of gender.

This study adopts the concept of gender equality and empowerment as the enlargement and the ability to make choices, autonomy, and the ability to claim entitlement to resources and rights as the basis for assessing the role of cash transfer in addressing gender equality.

However, it should be qualified here that this conceptualization of gender equality and empowerment is very simplistic as Alexander and Welzel (2007) observe that there are four central aspects of gender equality. Firstly, gender equality in terms of basic living conditions, is measured by the Gender Development Index. This is a measure of gender equality in literacy rates, educational levels, standard of living,

and life expectancy developed by the United Nations Development Programme (UNDP).

Secondly, the percentage of the adult female population that has participated in any form of civic activity, including petitions, demonstrations, and boycotts measures gender equality in terms of civic actions. Thirdly, gender equality in terms of positional empowerment, is measured by the Gender Empowerment Index, an index of women's presence in administrative and managerial power positions. Lastly, the proportion of women in national parliament measures gender equality in terms of political representation (Alexander and Welzel 2007:1). As such, the thesis recommends that a detailed study of the impact of social cash transfers on gender inequality as a potential area for further research. Data in this study has just revealed that indeed there are gender-based risks for this category of the poor.

8.4.1 Impact of social cash transfers on activities / roles of men and women

When we examine the activities or roles of men and women, there were some differences between activities or roles that men and women engaged in before, but after participating in the scheme, some shifting took place as shown in Table 14.

Table 14: Roles /activities of men and women before and after participating in the scheme

Activity/role	Before		After		Remarks
	Men	Women	Men	Women	
Small business	✓	X	✓	✓	Women can engage in business after participating in the cash transfers scheme
Rain fed Farming	✓	✓	✓	✓	No change
Fishing	✓	X	✓	X	No change
Livestock (birds and goats)	✓	X	✓	✓	Women managed to invest in livestock production
Dambo farming	✓	✓	✓	✓	No change
Piece Work - washing clothes	X	✓	X	✓	Reduced in the level of take-up especially when they have received the transfers
Piece Work – gardening	✓	✓	✓	✓	Reduction in the level of take-up especially when they have received the transfers
Piece Work - fetching water	X	✓	X	✓	Some households reported that engaging in piece work became less frequent.
Begging	✓	✓	✓	X	This strategy became less frequent
Fetching firewood	X	✓	X	✓	Not much change
Brick Making	✓	X	✓	X	No change
House building	✓	X	✓	✓	Traditionally by men but 8 women reported to have built houses.
Total	9	7	9	9	Men and women engage in similar roles after

Source: Author's summary from study data

As can be observed from Table 14, participating in the scheme brought up some changes in the roles and activities between men and women. These changes are significantly important considering that the recipients had participated in the scheme for eight months only. Some women reported that they started to get involved in some activities that they were not involved before. For example, some women reported that they had started investing in livestock which they could not do before joining the scheme for lack of financial capital. In terms of empowerment, this means enlargement of choices, autonomy and command over resources as depicted in the following excerpts.

I bought goats and chickens using the money I received from the scheme. Chickens provide me with eggs to use at home and also sell some of the eggs (IC-7).

Some women were also able to build houses, which is traditional role of men.

Through the cash transfer scheme, I have managed to build a house. Without the scheme, I would not have managed since I am a widow (IM-20).

This is an act of empowerment that enables women to be independent or gain autonomy. It means they are able to make choices of their own and that they have some command over resources. In some cases, women reported reduced participation in piece work and begging. This shows that the scheme has some impact on gender roles and relations.

8.4.2 Access and control of resources

As already pointed out, gender inequality can also manifest through access and control of resources. Data from this study shows that women did not have adequate access and control of resources before joining the scheme. Life history data shows that many women had little or no access and control over resources. As a result many women resorted to getting married as a solution. This means that they did not have much choice to make. These women faced some constraints most of which were systematically embedded in traditions and cultural practices.

After participating in the scheme, we see that access and control over resources increased. In this study, most of the recipients cited spending on education and health as a priority following expenditures on food. Women were able to invest in both consumption and productive assets without depending on men as traditionally is the case. First priority was food, then clothes, then utensils followed by expenditure on education. Eight female recipients as already mentioned elsewhere have managed

to invest in building houses. Some have even managed to invest in livestock and small business.

Therefore, we can conclude that social cash transfers have the potential to empower women and reduce gender inequality. Women recipients gained autonomy to the extent that they are able to make decisions of their own and not depend on men as traditionally is the case. We also see that they are able to participate in roles that are traditionally men's. Other studies, (e.g. the evaluations of Bolsa Familia, Familias en Acción and Chile Solidario) also show that these programmes have some potential for women's empowerment through increasing their bargaining power within the household and an improvement in their social status in their communities as a result of a positive impact in their self-esteem, self-confidence and self-perception (see Holmes et al. 2010).

However, the same Holmes et al. (2010) cautions that the objectives of these schemes did not consider the gendered inequalities, it just so happen that the cash transfers have the potential to address these inequalities. They further recommend that in order to improve these impacts on gender dimensions of cash transfer programmes, new evaluations should aim at using improved gender-sensitive indicators, such as assessing and analysing the extent to which gendered economic and social risks are addressed, including time poverty and changes in women's empowerment and autonomy.

Soares and Silva (2010) also make a similar observation that the different ways in which programmes are conceptualised and evolve is likely to determine its potential

impact on gender vulnerabilities and inequalities. They point out that short-term initiatives are unlikely to bring about major changes, restricting their role to consumption smoothing and avoiding depletion of human, physical and social capital during crises and hardship spells. Ventura-Dias (2009) quoted in Soares and Silva (2010) on the other hand argues that CCT models that evolve into a permanent feature of Social Protection Systems are more likely to have long-term effects on gender inequalities, particularly when linked to/complemented by other social policies that would foster women's economic autonomy as well as policies that give incentives to a better balance in the way men and women share household chores, in particular with regard to the provision of care to children, the sick and the elderly.

8.5 Extent of movement on the poverty ladder

Based on the criteria for targeting, it is expected that the recipients should at some point in time move out of the scheme if their status has improved. This is when a household no longer qualifies for the scheme, then, we can conclude that they have moved out of the 10% poverty line. At the time of the research, only two households were being considered not to be eligible anymore because they were deemed to have improved beyond the 10% line based on the targeting criteria.

Moving out of poverty is a very complex process as there are many factors that come into play. For example, at what rank a household is on the poverty ladder may not matter. Being better off is not a guarantee that one will move out of the poverty faster than the poorest. Some recipients expressed the desire to be self-reliant by engaging in income generating activities such as small businesses and livestock production as quoted below.

I was expecting to approach FINCA for a business loan but I needed K2, 000 (US\$13.26) as a collateral. However, at this time the scheme had stopped and all my plans failed (IC-9).

However, most of them cited the low rate of transfer as the major constraint because when they enrolled on the scheme, they had a long agenda of items to deal with but because of the interruption in the transfers meant that their hopes would not materialise. This is a quite a challenge because the government is transferring some sort of welfare and yet the aspirations of the poor are much more than that.

These movements on the poverty ladder are also possible because the poor are able to set up priorities for their life as the cash transfer is on regular basis, they are able to plan and prioritise their needs. One recipient indicated that he had managed to buy plates, cups, blankets, and a mat. His next item was a pair of shoes but the transfer was stopped and this shattered his dreams of owning a pair of shoes. He earned MK600.00 (US\$4) per month. He is handicapped but appeared very satisfied with the scheme. He lives in his uncle's house.

I am quite happy with the scheme. I managed to buy plates, blankets, and a mat. My next item was a pair of shoes but then the scheme stopped (IN-24).

However, while the scheme is applauded for its success in building capabilities of the poor, there are some policy issues for consideration.

8.6 Some policy issues for consideration

8.6.1 Need for flexibility

One of the fears of many policy makers is that cash transfers can create dependency and that they can be a disincentive to work (Simon 2009). However, evidence from this study shows that recipients still continue to engage in other income generating activities despite the fact that they are on the scheme. The only time they tend to

take a break is when they have received their grants as they can use this time to attend to other activities. IC-13 is 74 years old with four dependents had this to say:

The cash receive helps me to rest from doing piecework for about two weeks and when the money has run out then I go back to do piecework. During this time I am able to attend to other activities at home (IC-13).

This demonstrates that recipients understand that the cash income is complementary and is not adequate to completely cover all their needs. The only time one would sense a dependency syndrome is when they mentioned that they wished to remain on the scheme so that they continue receiving the income benefits. Most recipients felt that life was difficult in the absence of the regular transfers as evidenced by the struggles they faced during this period.

IPC (2008) points out that cash transfers should be viewed as social investments and not simply handouts. This is because poor households make a variety of investments such as in education, housing and other assets to develop their physical and human capital, improve living conditions and be able to engage in economic activities (Hammer et al. 1998). Although many recipients expressed concern that if they were to be removed from the register, life would be tough. The way they use their cash shows that they are preparing to strengthen their livelihoods by investing in livestock, building houses and diversifying their livelihood strategies. The recipients were not just counting on the transfers, but rather using the cash to also expand their capabilities.

Although there is legislation about the minimum wage rate in Malawi for both rural and urban areas, it is difficult to apply this legislation in rural areas with respect to piece work. One reason is that it is a household that will go out in search for work

and as such, they do not have the bargaining power or the knowledge of the minimum wage legislation. The problem with this low rate of return on labour means that people cannot save as most of the times it is hand to mouth.

Another challenge is that sometimes payment is in-kind. It thus, difficult to enforce minimum wage legislation in rural areas where most of the activities are informal. In this case it is very difficult to ensure that the in-kind payments meet the minimum wage requirement.

Sharing and use of cash appeared not to be a problem at household level. In one household, the head of the household gives the share of the cash allocated to her son who is in secondary school accordingly and uses the rest on household needs.

IM-19 had this to say

When I receive my monthly transfer from the scheme, I take out some amount of money and give it to the children and I use the remainder on food and clothes (IM-19).

In one orphaned household that is female headed, the responsibility is given to the female because they felt that she would be more responsible.

When we receive the cash, we give it to our sister because she can take care of the money. Then she gives us a report on how the money has been spent (IM-21)

This observation is in agreement with what Concern Universal found in Dezda when they implemented the DWT program in 2001. They found that most women did not find any problems with transfers, as the majority of benefits were shared within the household (Devereux et al. 2007).

While strengthening the asset portfolio is the main objective of the scheme, there are other factors that must be taken into account that may affect the impact. For instance, household dynamics play a crucial part as well. Ninno and Dorosh (2003) found that who receives the benefits matters in terms of consumption priorities. There is some evidence that suggests that women generally use cash by spending on commodities such as food and children's welfare (Devereux et al. 2007).

8.6.2 Transfer rates, inflation and the cost of living

As at the time of the study in 2009, transfer rates were still the same since the start of the scheme in 2006. But in other projects, transfers rates are adjusted to take care of inflation and the cost of living. For example, in one project implemented by Concern Universal, the cost of living was taken care of through varying the amount of transfer to keep track of inflation.

It was also noted that the scheme was not paying out transfers due some cash flow problem for 8 months. This stoppage affected some household negatively. Many recipients complained that they had to resort to other livelihood strategies out of desperation. One household resorted to selling husks from the maize mill which they said it was really out of desperation. On this particular day of interview, we found a buyer who said he had just bought the husks from him at MK1, 200.00 (US\$ 8).

8.6.3 Exit /graduation strategies

There are no strategies for supporting recipients graduating from the scheme. Hailu and Soares (2008) point out other policy mechanisms are necessary so that those who have graduated do not fall back into poverty. Fear of being removed from the scheme was prevalent amongst the recipients as some of the respondents expressed

concern about being taken off the scheme. While some recipients were building up their capital endowments, they still feel moving out of the scheme would have affected them negatively. One interviewee had this to say:

Although I do business selling chicken, it is not reliable because sometimes they die (IM-2).

Others expressed the desire to have income generating activities but it seemed the amount of money did not allow them to do so. As a result while other members of the family had stopped doing piece work, other still continued, probably as a supplement.

On the other hand, exit or graduation strategy from the scheme (and not poverty) should be evaluated in line of whether recipients should be given a time scale set out by the program or leave it open till the achievement of certain desirable objectives. In the case of Machinga, graduation is based the household reaching a certain level of characteristics at the point where they no longer qualify to be on the scheme.

One recipient was single before she joined the scheme, but later re-united with her former husband. At that time the committee had just compiled a report to the district assembly and were waiting for the response. Her response was that she wished she had stayed on the scheme but since the scheme dictates the rules, she does not have any choice.

Thus, the question that requires to be reviewed is whether providing a time frame would be an incentive for households to ensure that recipients attain their independence or just leave it open until such a time one is qualified to graduate. The

question is somehow difficult because these people are not at the same level when they qualify for the scheme. There are a lot of variations in their household characteristics such that putting a time frame may not be justified. And even data shows that the rate of progression is not dependent on where a person is in terms of ranking.

Currently, the exit strategy is based on impact. But how long it may take for recipients to register impact depends on many factors. For example, within one year, recipients were able to manifest some impact. Britto (2008) argues out that no single program is capable of lifting people out of poverty without a synergetic combination of public policies and economic growth. The point is that while the poor can make choices, it is equally important that there is policy support from other sectors. For example the Mexican PROGRESSA, provide benefits such as cash transfers for food consumption; nutritional supplements for small children, as well as for pregnant and lactating women; access to primary health services; scholarships for education from third to twelfth grade; additional cash incentives for transition from secondary school to high school, and for finishing high school; and cash transfers for elderly recipients. The benefits are conditional on the beneficiaries' attendance at health education sessions, health check-ups and school (Yaschine and Dávila 2008). It is a continuum; otherwise the benefits will be regressive.

8.6.4 Weak linkages to other social services support

There is also a weak policy and service coordination at community level. Notably, I observed that in the agricultural sector, some of the available services were not accessible or not even known to the recipients who had invested in livestock. According to Barrientos and DeJong (2004), social cash transfer schemes have to be complemented by and coordinated with other social services in the areas of

education, health, home based care and psycho-social support, family support and alternative care in order to meet the essential needs of children living in ultra-poor HIV and AIDS affected households.

Availability of services is very critical to provide the necessary support they need. Some of the social service available in this area included schools, health centres and veriterinary services. With cash transfers, recipients are able to access some of these services. In this way social cash transfers can go a long way to improve the well-being and welfare of the poor.

8.7 Conclusions

From the discussion above, it is evident that social cash transfers are enabling. They are helping the poor in building their capabilities. In addition, we observe that social cash transfers have a role in reducing gender inequalities and promote the empowerment of women.

Firstly, we see that social cash transfers have a positive impact on the asset portfolio by enhancing financial, human, physical, and social capital. In addition to enhancing capital assets, social cash transfers also have a positive impact on livelihood strategies. The chapter has also shown that social cash transfers help recipients diversify their livelihood strategies. The effect is there is some movement on the poverty ladder.

Secondly, we also see that social cash transfers have a role in reducing gender inequality and promote the empowerment of women. This is evident in the fact there

is some change in activities of women after benefitting in the scheme. Some women reported to be involved in activities that are traditionally considered to be for men. For example 8 women managed to build houses; which is traditionally the role of men. We also see that women have an improved access and control of resources, mainly cash. Women are able to make their own decisions.

Thirdly, we also observe that social cash transfers have a positive impact on the local economy. The local economy is a supportive environment that has a multiplier effect on the economy. Recipients are considered risk free as long as they are on the register creating a business trust.

However, although social cash transfers are enabling, there are some issues for policy consideration. The chapter observed that transfer rates are low considering inflation and the cost of living. In addition, there are weak linkages with other social services. Further, we also see that there are no exit strategies to support recipients that are exiting the scheme. On a positive note, however is that there is little trace of dependency syndrome.

Chapter 9 : Conclusions

9.1 Introduction

This thesis has examined whether, how and to what extent social cash transfers help the absolute poor to move out of poverty in general. The thesis has also considered whether and how social cash transfers address gender-based inequality, risk and vulnerability. Thus, the thesis is built around summarizing the above research questions into:

Whether social cash transfers act as ladders for uplifting the absolute poor out of poverty or whether they are they just handouts.

As discussed in chapter two, social cash transfers are some of the social protection interventions that can contribute to the reduction of poverty, vulnerability and gender inequality. Particularly for this study, it is very important because the Machinga Social Cash Transfer Scheme targets the poorest ten percent of the population who are also labour constrained and deemed economically unproductive.

Social protection recognises that reducing poverty entails more than just increasing the incomes of the poor. Under the concept of social protection, reducing poverty requires paying attention to address risk, vulnerability and gender inequality. In fact, many commentators point out that social protection should not only focus on addressing economic risk but should also consider social risk in order to deal with issues of equity, social rights, gender inequality, social exclusion and structural causes of vulnerability (Hanlon 2010). As already observed in chapter two, failure to deal with extreme poverty, gender inequality, risk and vulnerability can even derail the achievement of some of the MDGs.

Therefore, it argued that reducing poverty requires putting risk management mechanisms or instruments to protect the poor and vulnerable groups from uninsured risk. In fact Universal Declaration for Human Rights (1948, articles 22, 23 and 25) explicitly point out that social protection should be approached as a right to every citizen and not just like a gesture of good will. In Malawi, social security is enshrined in the Constitution of Malawi in chapter 3 section 12 (IV). Thus, social protection has an important role especially in relation to rights-based approaches to development.

The main conclusion emerging from this study is that social cash transfers are enabling. What we observe is that despite the limited resource base compared to the large number of the poor, social cash transfers as low as US\$14 can make a valuable contribution to the reduction of poverty through building capabilities, empowering women and addressing some of the gendered inequalities, risk and vulnerability. At national level, social cash transfers are complementary to other social protection measures because they target the category of the poor that cannot benefit effectively from labour intensive activities. These are non-viable poor who are also incapacitated. The efficacy of social cash transfers hinges on the idea of reducing hunger and starvation in the households as well as increase school enrolment. In essence, social cash transfers are akin to ladders and not just handouts. The following sections discuss this in detail.

The thesis has also shown that cash transfers are proving to be a versatile tool for addressing poverty, gender inequality, risk and vulnerability. The poor can reliably depend on the efficacy of social cash transfers in building their capabilities. In this

respect, I tend to agree with others like Alkire (2003) and Sen (1999) who have simplified the notion of poverty reduction to have taken place when people have greater freedoms or greater capabilities such that life becomes better with expanded capabilities. Main avenues through which social cash transfers prove to be versatile are through building the capabilities of the poor, reducing gender inequality and enhancing the empowerment of women; thus providing them with opportunities for expanded capabilities, gender equality and empowerment. These are discussed in sections below.

9.2 Poverty reduction : building capabilities of the poor.

The thesis has shown that social cash transfers are able to build capabilities of the absolute poor people who are also labour constrained such that the poor are able to contribute to the economy through investing in productive assets. What we see is that even small transfers as low as US\$14 can make a significant contribution to the lives of the poor because the recipients make rational judgements and that they are able to prioritise their choices in terms of how they spend their income. The idea of building these capabilities also helps us to appreciate the aspirations of the poor that they desire to come out of poverty any cost as evidenced by the way they use their income. This enabling factor implies that social protection should not be seen as a waste of tax payer's money but rather as a social investment.

The first point of call in capability building comes through income and consumption smoothing. The income smoothing arises from the fact that recipients have variable incomes as they do not have reliable sources of income. Therefore, the introduction of the cash transfer helps them in smoothing out this income deficit as observed from

the way they use income. Recipients spend their income on consumption such as food, clothes, household utensils, school related expenses for children and medical expenses which are the basic tenets of social protection.

The other way through which social cash transfers contribute to reducing poverty is through enhancing financial capital and this means that recipients can use this capability to enhance the human capital development, social and physical capital portfolios. Investing in human capital development can help to reduce intergeneration poverty. Access to education for children means that chances of remaining in poverty is also reduced. Thus, cash transfers are helping the poor to deal with some of the demand side barriers that constrain children to access education. Life history data shows that most of the recipients were caught up in a viscous circle of poverty that hindered them to have access to education. In addition, some of recipients were forced to enter into early marriages; although this option just created another trap into poverty.

Long term poverty reduction requires investing in physical capital as physical capital accumulation is a very critical aspect of poverty reduction. It is observed that recipients invest in productive asset building that enables them to become economically productive. Having shelter provides them with improved living conditions in the households. This development is very significant because it enables the poor to build their fixed asset portfolio. What is more interesting is the fact that these households have only been on the scheme for just ten months and yet they have shown that one of the priority areas to invest in is physical capital. In addition to investing in shelter, some recipients have also managed to improve their sanitation

and general living conditions such as electricity, fences, bathroom, kitchens and toilets. All these assets contribute to a healthy population as improvement in sanitation and hygiene is more likely to lead to a reduction of the incidences of diseases.

Social cash transfers are also contributing to their social capital as an important component of poverty reduction. The poor are able to draw upon this capital endowment in order to address poverty and vulnerability. Further to creating social capital, social cash transfers are also helping the poor to diversify their livelihoods. Livelihoods diversification entails that the poor have a wide range of livelihood strategies that they can employ for survival. For example, investment in livestock (chicken, ducks and goats) and small scale business (hawker) means that they are building their capabilities and diversifying their livelihoods. Some of these investments feed back into generating additional income. This means they are spreading their risk. The other advantage is that with livelihood diversification, they become less vulnerable. From the study, it has also emerged that most recipients were looking forward to move to a level where they could effectively benefit from mainstream development programs. In other words, cash transfers were not the only source of income. Thus the introduction of cash transfers is helping the poor to protect and at the same time promote their livelihoods.

9.3 Poverty reduction : empowering women and promoting gender equality.

One of the challenges in the poverty reduction agenda is that what we see as poverty is consequence of some events resulting from the real (process, structures, powers and causal mechanisms) based on the realist perspective. Life history data showed that most of the women were poor because of either structural factors or gender

based risks which in most cases may not be visible without a critical lens. The implication is that in order to reduce poverty, it is necessary to deal with these casual mechanisms such as gender- based risks. This thesis has shown that social cash transfers have the potential to address some of these casual mechanisms which are considered as some of the gendered aspects of poverty.

Transferring cash to women ushers them into economic empowerment while at the same time increasing their decision making power in the household. The introduction of cash transfers has enabled women to make decisions that affect their lives. Women are able to invest in both production and consumption assets without depending on men as traditionally is case. They are able to make decisions on how to use their income. At least they have control over resources. Cash transfers have also changed the landscape in relation to activities or roles between men and women. After participating in the scheme, men and women engage in similar roles.

9.4 Movement on the poverty ladder

The thesis has also shown that recipients are able to move on the poverty ladder. Although it is not possible to quantify the contribution of social cash transfers to the movement on the poverty ladder, it is evident from the impact that the scheme is able to support the poor and that they are able to make some progress. However, it must be noted here that moving out of poverty is a very complex process as there are a lot of dynamics and factors that come into play. Movement is also possible because the poor are able to set up priorities for their lives. The poor are able to plan and prioritise their needs because the cash transfer is on regular basis.

9.5 Some issues for policy consideration

While cash transfers can be applauded for their efficacy in building the capacities of the poor, empowering women, and addressing some of the gender inequalities, there are some issues that have to be considered for these transfers to be more productive. Since social cash transfers are considered as social investments, the following areas need to be are very critical to increase their impact on poverty, gender inequality and vulnerability.

In order to increase the impact of social cash transfers, it important that transfer rates are reviewed from time to time. The cost of living should be taken care of through varying the amount of transfer rate to keep track of inflation. Transferring cash on regular basis can enhance the impact of these transfers as it was observed that during the period the scheme was not paying out transfers due some cash flow problem for 8 months, most of the benefits were eroded. The effect was that people were taken back instead moving ahead.

It is also important that exit strategies are put in place. Many respondents expressed concern that taking them off the scheme could negatively affect them. While some recipients were building up their capital endowments, they still felt moving out of the scheme would negatively affect them simply because there are no supporting strategies in place. Others had the desire to have additional income generating activities but the amount of income they get does not permit them to do so.

Exit or graduation strategy from the scheme and not poverty is based on improvement in household characteristics. In other words, it is not an issue about

how long a household stays in the scheme as long as they continue to be eligible. I recommend that a time scale would act as an incentive to ensure that recipients do invest wisely. However, this question may require more exploration as to whether providing a time frame would be an incentive for households to ensure that recipients attain their independence or just leave it open until such a time one is qualified to graduate. The difficulty is that these people are not at the same level when they qualify for the scheme and putting a time a realistic frame may not be possible as there are a lot of variations in their household characteristics. In fact data shows that the rate of progression is not dependent on where a recipient is in-terms of ranking.

Currently, the exit strategy is based on impact. But the time it may take for recipients to register impact depends on many factors. According to this scheme, within 8 months recipients were able to manifest some impact. This still requires that synergistic combination of public policies and economic growth is put in place. The point is that while the poor can make choices, it is equally important that there is policy support from other sectors.

Linkage to policy and service coordination at community level is important. Literature points out that it is important that social cash transfer schemes are complemented by and coordinated with other social services in the areas of education, health, home based care and psycho-social support, family support and alternative care. Availability of services is very critical to provide the necessary support they need.

9.6 Limitations and further areas of study

There are a number of issues that need to be explored in depth but time and resources did not permit to do so. In addition, the study only focused on social cash transfers in a particular part of a district in Malawi. For triangulation purposes, collecting data from a number of locations and districts is recommended. Nonetheless, the study's findings do agree in many respects with other similar studies which have been undertaken before. These include the gendered dimension of poverty, the impact of cash transfers on poverty, vulnerability and how cash transfers support building the capabilities of the poor.

The study has identified two main areas for further research. Firstly, there is need to follow up on the recipients who have or are graduating from the scheme in terms of whether they continue moving up on the poverty ladder or they fall back into absolute poverty. This is very important because we need to follow up on their progress in order to look at how to effectively support them so they do not fall back into 10% absolute poverty category. As has been observed in this study that support mechanisms appear to be weak, therefore an understanding of how they progress is very critical.

The second area of interest is for detailed study of the impact of social cash transfers on gender inequality and empowerment of women. As discussed in chapter 6, I observed that there are gender-based risk factors that affect women in this category of the poor while in chapter 8, I found that social cash transfers have the potential to address some of these gender based risk factors. The study has revealed that there is a gendered dimension of poverty and as such, an in-depth study of how social cash

transfers interact with gender inequality is necessary. The study also revealed that cash transfers have the potential of empowering women. However, I find also find that this empowerment requires an examination in relation to household dynamics.

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Appendix 1: Household expenditure and use of cash (5th August -12th December 09)

No	Interviewee code	Use of cash							
		Food	School	Medical	Livestock /Farming	House Repair	New House	Utensils	Clothes
1	IC-2	✓	✓		✓			✓	✓
2	IC-7	✓	✓		✓	✓		✓	✓
3	IC-8	✓	✓		✓		✓	✓	✓
4	IC-13	✓		✓	✓			✓	✓
5	IC-17	✓	✓					✓	✓
6	IC-22	✓	✓				✓	✓	✓
7	IC-24	✓			✓			✓	✓
8	IM-1	✓	✓		✓			✓	✓
9	IM-20	✓				✓		✓	✓
10	IM-19	✓		✓				✓	✓
11	IM-21	✓	✓					✓	✓
12	IN-20	✓			✓		✓	✓	✓
13	IC-9	✓	✓	✓			✓	✓	✓

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No	Interviewee code	Use of cash							
		Food	School	Medical	Livestock /Farming	House Repair	New House	Utensils	Clothes
14	IC-6	✓			✓		✓	✓	✓
15	IN-4	✓	✓				✓	✓	✓
16	IN-7	✓	✓		✓			✓	✓
17	IN-8	✓			✓	✓		✓	✓
18	IN-11	✓	✓		✓			✓	✓
19	IN-13	✓	✓			✓	✓	✓	✓
20	IN-16	✓		✓	✓		✓	✓	✓
21	IN-17	✓	✓					✓	✓
22	IN-18	✓						✓	✓
23	IN-24	✓	✓					✓	✓
24	IM-16	✓	✓	✓				✓	✓
25	IM-14	✓						✓	✓
26	IM-23	✓	✓			✓		✓	✓
27	IM-9	✓	✓					✓	✓
28	IM-7	✓						✓	✓

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No	Interviewee code	Use of cash							
		Food	School	Medical	Livestock /Farming	House Repair	New House	Utensils	Clothes
29	IM-5	✓						✓	✓
30	IM-4	✓						✓	✓
31	IM-3	✓						✓	✓

Source: Study data

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Appendix 2 : Life history data of some of the recipients (5th August -12th December 2009)

No	Name of recipient	History Data
1	IC18	I am a Yao by tribe. My parents came from Mozambique and they are farmers. I failed to attend school because they were unable to pay school fees for me because of poverty. What I need now are clothes and food. I do piece work in order to earn money for my food. I got married because I was growing old and but also poor. In addition, I come from a large family of eight (8) children. I am the second born. I was found in this scheme because of poverty.
2	LMH 2	I was born in the year 1983 and I am a Yao by tribe. My parents were farmers. I left school in standard 3 because my parents passed away and there was no one to support me. We are four (4) in our family, and I am the first born child. The problems that I used to face include lack of food, clothes and parental care. I got married so that my wife could assist me upbringing my three brothers. I joined the scheme in 2008 because I was unable to meet my financial needs
3	LMH 3	I was born in chief Libokosi and I am the fifth born child in my family. I am 41 years old and I am Lomwe by tribe. My parents were farmers but sometimes they also used to do fishing. I left school whilst in standard 4 because of lack of school fees and I was just staying at home. I got married whilst young because of poverty. I have five (5) children. My husband passed away. I joined the scheme because of these problems. I have built a house, bathroom, bought goats and pigeons from the money I receive from the scheme. At least life is better now.
4	LMH 4	I was born in 1969 in Zomba District. I am a Yao by tribe. I was working as a farmer because I did not go school. My parents died when I was very young. I was born in a family of five children. My relatives did not care for us. As such, we had nowhere to stay and I ended up working as a house maid so that I could take care of the other children. Although I was working, I still encountered some problems. I later went to Machinga with my uncle and that is where we were staying now.

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5	LMH 5	I come from Saidi village. I am 71 years old. I am a Lomwe by tribe. My parents were farmers. They used to grow maize, rice and keep livestock. I have seven children. My father passed away. As a result I failed to attend school. Later I got married. We used grow maize, rice and livestock keeping. In addition, my late husband had also a business. My husband passed away and I am left with ten children. After my husband's death the business went down and problems started again because there was no body to assist me. My other four children got married and they have their children too. My parents also passed away. They left six children who are under my care. Because of these problems, I was incorporated in the scheme.
6	LMH 7	I was born in Simon village, Mlomba but originally from Mozambique. I am forty nine years old and am a Lomwe by tribe. My parents were farmers. I attended Nsanama adult literacy school because I was unable to so when I was young. I am a sixth born child in my family. I was married and have four children. My husband divorced me because our family had many dependants. It was a challenge for my husband to support the family. I have bought ducks, goats and chickens using the cash I receive from the scheme.
7	LMH 9	I was born in Libokosi village and I am 68 years old. I am a Lomwe by tribe and I came from Mozambique. My parents were farmers. I am the seventh born child in my family. I attended school at Nsanama primary school and I left school whilst in standard two (2) because of poverty. My parents could not manage to pay for my school fees. I did not have enough clothes and eventually I got married. I had five (5) children but they all passed away living me with seven (7) grandchildren. It was a challenge for me to take care of these children. I used to do piece work in order to feed them. But now I am able to take care them after joining the scheme. I bought goats, pigeons and ducks from the same money I got from the scheme.

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8	LHM 16	<p>I am Yao in tribe and I am 24 years old. My parents were farmers.They used to grow maize, tomatoe, groundnuts and rice. I attended Nsanama CDSS but dropped out whilst in form 3. My father passed away whilst I was in primary school. After my fathers' death I used to face a lot of problems like lack of clothes and food. I managed to complete my primary school. We are four (4) in our family. In 2002, I started form 1 but because of lack of school fees I only attended school for a few days. I was doing piece work till I reached form 3. In the same year 2002, my mother passed away when I was in form 3. Following the death of my parents, I had a lot of responsibilities and I left school and started piece work in order to assist my brothers. In 2003, my went away and my sister too got married and she had three children. In 2007, my sister passed away and I had to take care of all her children which was an additional responsibility. In 2008, I joined the scheme.</p>
9	LHM 21	<p>I am a Lomwe by tribe and I was born in 1991 at Nsanama. My parents used to run a restaurant. I left school when I was in standard 5 at Mgodì primary school. When I was 15 years old my father passed away and I was left with my mother and four children. After death of my father, I dropped out of school because there was nobody to assist me. My mother went to away and we had nobody to stay with. I started doing piece work like drawing water, washing clothes and selling firewood. My mother passed away. In 2008, I joined the scheme in order to get financial support.. One of my brothers has completed his secondary school education.</p>

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10	LHM 23	<p>I was born in Zimbabwe and I am 40 years old. I am a Yao by tribe. My father worked as a Cook. My grandfather brought me to Malawi from Zimbabwe when I was young. My grandfather is a farmer. I left school whilst in standard 1 because of the problems I was experiencing. After that, I started working as a housemaid. Later, I stopped working as a housemaid and joined Mgodhi estate grading tobacco and stamping. When the farm was closed, then I was forced to get married to a family which had nine children. Following this marriage, I went to town where my husband was working. Later, he stopped working and started doing our own business. We were selling groundnuts, plastics, cups and plates. We were blessed with three children and we decided to go back home in Chisungwi village where my husband come from. Later, my husband married another woman and we divorced because of this second marriage. Thereafter, I returned to stay with my parents at my home and started working as a farmer. After a year, I got married to another man who was a teacher. Later, this second husband started dating other women and we divorced again. My grandmother passed away and I decided to move from Nsanama to Liwonde because I wanted to do some farming. After two years, I returned home and after a year my father passed away. I started to work as a cook. In 2008, I joined the scheme.</p>
11	LH 14	<p>I am 29 years old and a Yao by tribe. My parents were farmers. I did not go to school because of lack of fees. In 1979, I started working. After three years I left the job and got married. I have seven children. I started doing piece work in order to meet my needs. My wife passed away in 2007. In 2008 I was accepted to join the scheme.</p>
12	LHN7	<p>I was born in Blantyre District. I am a Yawo by tribe and I am a Moslem by religion. My parents were farmers and they came from Mozambique. I did not attend school because my parents could not manage to pay school fees for us. We were six in our family but five passed away. The problems that I was facing are lack of food and shelter. I got married because of poverty but my husband passed away and left me with seven children. I was very poor and used to do piece work for living. I joined scheme because of poverty.</p>
13	LHN 16	<p>I was born at Malaka, T/A Mlumbe. My parents were farmers but also used to do fishing. They came from Mozambique. I left school in standard 1 because it was too far but I am still continuing with my education through adult literacy school. I joined the scheme because of poverty</p>

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14	LH 18	I was born in Malosa. I am a Yao by tribe and a Moslem. My parents came from Mozambique. My parents were farmers. I left school in standard three because of poverty. I used to face problems like lack of school fees and clothes. I got married because I thought that this would improve my life but my husband passed away. I was doing piece work in order to earn money for living. Eventually, I joined the scheme because of being poor.
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Appendix 3 : Sentiments from the group that did not qualify into the scheme

No	Name	Comments
1	IM-74	I failed to qualify for the scheme. I don't understand how they did it. I am not happy because the ones who qualified are not different from me. I think they need to rotate people so that others can also benefit. That is what I think.
2	IM-76	I think they favour women. Women are more than women. I don't know whether it is gender. It is difficult for men to get into this scheme.
3	IC-38	I really don't know how I failed. I don't see any difference with those who qualified. Off course, there are rules and regulations. But I also understand that indeed most women are needy in this area. Helping them is good.
4	IN-44	I am married with seven children but how I failed to qualify, I don't understand. The committee and the chief are very secretive. They don't tell us the truth.
5	IN-47	I have accepted that I failed to qualify. I still believe one day I will qualify. Why they left me, I don't know.
6	IC-49	I have five children but failed to qualify in the scheme. I tried to talk to the committee but they said I do not qualify. I have just accepted.
7	IN-42	The came to my home (the committee) and told me that I am better off. But check what is good about me. Am I better off than the others? No, I don't believe so.
8	IM-56	I am a man. I do fishing. This scheme is good for women. It is not good for men to be on this scheme. It is degrading for men. I don't think a man in his right thinking can be happy to be on this scheme.
9	IC-40	I think this scheme is good but the criteria need to be improved. We don't understand how we failed. Anyway that is what they decided.
10	IN-41	They told us about the 10%. We don't understand it. I know that there are other people who are poorer than me. But we are all poor. The government should consider us all as equal.

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11	IM-72	My sister qualified for the scheme. I am fine with it. She shares her income with the family. It would have been fine if I qualified. But I accepted this because my sister is in the scheme.
12	IN-74	I failed to qualify but when I look at those who were selected, I don't think we are very different. I am ok with it. But next time they should increase the coverage.

Appendix 4 : Focus group discussions from the SP committee

Tell me about the operations of the scheme

We are a committee of 12 members. There are three clusters: Nampemba, Mgodhi and Chimwankhunda. Each cluster is supervised by 4 members. Before the start of the scheme, we were given a one-day training. We feel that this is not adequate considering the challenges we meet. We could appreciate if we had refresher courses.

Our work requires personal judgment and, sometimes this creates problems as we some cases we do not agree. We have been given bicycles to use but there is no money for maintenance. We work as volunteers. We receive MK1, 250 per month to help with communication.

We work in collaboration with VDC since this is development work as well. We usually have meetings at regular intervals to share information. We also have exchange visits to check what our colleagues are doing in their respective clusters. Sometimes recipients give us false information, so we need to check with our colleagues and local readers.

Our main work include preparing reports to send to DA where we record the recipients to be replaced, those that need to graduate and other challenges that we meet.

One of the problems that we face is that payments can sometimes delay and recipients become concerned. In this case, we have to check with the assembly and communicate to the recipients.

We are happy that we were selected to be in the committees but the work is quite involving. We need T-Shirts and Caps but they have not given us any.

Present (Committee members)

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Appendix 5: Established cash transfer programmes in Latin America and the Caribbean

Program and date initiated	Scope and target group	Number of beneficiaries (coverage)	Amount of transfer	Key conditions	Website
Bolsa Família (Brazil): Started in 2003	Low income families with per capita income below US\$ 82 per month	12 million families	US\$ 19 per child up to 5 children	Children to attend medical check-ups and school	www.mds.gov.br/bolsafamilia
Chile Solidario (Chile): Started in 2002	Families in extreme poverty	225,000 families	Cash subsidies which decreases over 24 months (US\$ 15 –US\$ 5) per month per family	Families to work towards improving living conditions	www.chilesolidario.gov.cl
Programa Puente (Chile): Started in 2002 as part of Chile Solidario	Families in extreme poverty		No cash is given , only provide psychosocial support to poor families	To link families and the public and private networks for social skills development	www.programapuenete.cl
Familias en Acción (Colombia), started in 2000	Households with children less than 7	400,000 households	US\$17 per household US\$ 5 per child in primary school and US\$ 10 per child in secondary school	Children visits and school attendance , money given to mothers	http://www.accionsocial.gov.co/Programas/Familias_Accion/index_Familias_Accion.htm
Food Stamps Program (United States): now Supplimentary Nutrition Assistance Program (SNAP)	Low-income Americans	46 million (2014)	US\$ 1,650-3,250 per month per person	No conditionality	http://www.ers.usda.gov/Browse/FoodNutritionAssistance/FoodStampProgram.htm

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Program and date initiated	Scope and target group	Number of beneficiaries (coverage)	Amount of transfer	Key conditions	Website
Bono de Desarrollo Humano (Ecuador)	Families in the poorest two quintiles , the elderly and disabled	1.6 million beneficiaries	US\$ 35 to all beneficiaries 2009)	Conditioned on health and education improvements	http://www.pps.gov.ec/
Program for Advancement through Health and Education (PATH) (Jamaica) started in 2001	Poor families	180,000 families	US\$ 600 per month per household	Attend public health clinics Attend school	http://www.npep.org.jm/Project_Description/project_description.html OVERSEAS DEVELOPMENT INSTITUTE (2005)
Oportunidades (formerly Progres) (México): started in 1997	Poor families	4 million families 24 million people (2005)	US\$10.5 -66 per month per child attending school	Investment in human capital	www.oportunidades.gob.mx
Red de Protección Social (Nicaragua) started in 2000	Families with children	10, 000 households	US\$ 54-224 per family per year, US\$ 21 per child, US\$ 4.75 per student	Conditioned on school attendance and health check-ups	http://www.mifamilia.gob.ni/web/index.asp?idPgW=44&idSbM=36&idPpW=93

Appendix 6 : Some success stories

1. IM-20 is a widow. From her income, she built a house and invested some of the income in livestock. From four birds, she has 28 birds now. She uses local vaccine to protect the birds.

Illustration 4: Showing improvements in her living conditions



2. IN-4 is 35 years old and she is a widow. She uses the cash income to support her children to go to school. At the time of the research one of the children was unable to attend school because she could not afford a pen and notebook for him.

Illustration 5: IN-4 and her two children



Above is a house belonging to IN-4. She built this house using some of the cash income from the scheme. The total cost was about MK5, 000 (US\$33). She also invested in livestock production. She bought a goat (MK 6,000). She is ranked number four on the register. She has got two children who attend

school. At the time of study, she was struggling to pay for her education expenses. The first time we went to interview her; we did not find her because she had gone out to ask for money from her parents.

3. IM-3 is a widow and has four children. 3 children attend school. She earns MK 2,400 (US\$16). She has used the cash to improve her housing and living conditions. She built a house, kitchen, toilet, bathroom and a fence.

Illustration 6: IM-3's compound



Illustration 7: Some basic utensils belonging to IM-3



4. This house belongs to IN-16. She is 34 years old. She is a widow and has 6 children. 2 children attend school. She does piece work as her main livelihood. She also has invested in livestock (chicken) and uses the eggs for consumption. The total cost is about MK5, 000 (US\$33).

Illustration 8: A house belonging to IN-16



Illustration 9: A bathroom belonging to IN-16



5. IN-13 is 37 years old. She had separated with her husband at the time of qualifying for the scheme. Out of her cash income she built the house and the kitchen. At the time of data collection she was united with her husband. Because her circumstances had changed, she was no longer within the criteria and therefore was meant to graduate from the scheme.

Illustration 10: A house belonging to IN-13



6. IC-9 qualified for the scheme she was single because her husband was in prison. She managed to build a house and invested some of the cash in a Hawker. At the time of data collection, she re-united with her husband and they were at the verge of getting a loan from FINCA but did not have the needed collateral.

Illustration 11: A house belonging to IC-9



Annex 1 : Interview Schedule

Introduction: I will explain the type of research being undertaken, its purpose and who behind it (funding). I will also explain the benefits of the research, types of harm that may arise by participating in the research (in order to solicit informed consent).

Purpose of interview: I will need to explain that the research seeks to understand what impact cash transfers have on poverty and vulnerability.

Consent: I will discuss with the interviewee about being interviewed and recorded on tape. It will also be important to agree what type of consent the interview wants: oral or written. Explain the advantages of oral consent (that they will remain anonymous).

Confidentiality: discuss with the interviewee about the confidentiality of the results, that the data will be kept under lock and Key, of which only the researcher will have access. Data kept on computer will be encrypted.

Anonymity: discuss with the interviewee that they will remain anonymous even when the results are published.

Control: Assure the interviewee that they are free to ask where they do not understand or would want to break for some reason.

A. Vulnerability context

No	Question	Prompts	Variable
1	What type of risks do you encounter that affect your livelihood?	<i>Ask those relevant to the interviewee</i>	Type of Risks
2	What are the effects arising from the risks you have mentioned?		Type of Stresses
3	How has the cash transfer helped you in managing the risks you mentioned?		Management of Risks
4	In your opinion, do you see yourself as recovering from the effects of the risks you mentioned before? Why?		Recovery
5	Do you see yourself of being independent and graduate from this scheme at some point? Why?		Livelihood promotion

B. Maintenance of Livelihood Assets

No	Question	Prompts	Variable/Notes
1	How has the cash transfer affected your asset portfolio?	<i>Ask composition of portfolio</i>	Asset ownership
2	On what do you spend your cash?		Use of cash
3	How has the cash transfer affected your social relations?	<i>Less dependent? Self-esteem?</i>	Social capital
4	How has the cash transfer affected your financial standing? Can you access credit/financial services?		Financial capital
5	Do you spend any of the cash transfer on education and training? What type? Why?		Human Capital

C. Livelihood Strategies

No	Question	Prompts	Variable
1	How has the scheme affected your livelihood strategies?		Livelihoods Strategies
2	What were your strategies before?		Strategies before
3	What are the current strategies		Current Strategies
4	Are these changes temporal or permanent?		Type of Change
5	Are your economic activities more stable now than before? How		Economic Stability

D. Livelihood Objectives

No	Question	Prompts	Variable
1	What were your livelihood objectives		Livelihood Objectives
2	How has the scheme helped you in achieving those livelihood objectives		Achievement of livelihoods objectives
3	What have you achieved		Livelihood objectives
4	Are there some objectives you haven't achieved? What are they and why		Livelihood strategies
5	Overall, what do think about this scheme in terms of importance to your livelihood		Importance

E Personal Details

No	Question	Prompts	Variable
1	What do you do for a living		Occupation
2	Do you mind telling me your age		Age
3	Are you the head of the family?		
4	How many members in your family		Number in the family
5	Gender	<i>Do not ask this question</i>	Gender

J: About the interviewee and the interview

Name of interviewee_____

Sex: _____

Date/Time of interview: _____

Duration: _____

Location: _____

Any comments_____

Annex 2 : Focus group discussion guide**The purposes of this group discussion are**

- to understand the impact cash transfers on poverty and vulnerability
- to understand how the cash transfer has helped them in coping and recovering from various stresses
- how these transfers are helping them in livelihood asset maintenance
- how these transfers have affected their livelihood strategies
- how these transfers have helped them in achieving their livelihood objectives

No	Topic	Duration
1	Introduction About the interviewer, background about the research: Government policy to support the poor through cash transfers. The purpose of the discussions are to help the researcher to understand how these transfers are helping them to move out of poverty	5 minutes
2	Information about the participants Who are they? What they do? How long they have benefited from the scheme etc.	10 minutes
3	What role do these transfers play in your lives	15 minutes
4	What effect have these cash transfer had in coping and recovering from various stresses	15 minutes
5	What effect have these transfers had in livelihood asset maintenance	15 minutes
6	What effect have these transfers had on your livelihood strategies	15 minutes
7	What effect have these transfers had on achieving their livelihood objectives?	10 minutes
8	Summary and end the discussion	5 minutes
	Total duration	90 minutes